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Shimon Peres and Yitzhak Shamir meet yesterday afternoon. (Galmi)

## I could cut inflation to 4% a month'—Orgad

By AVI TEMKIN  
Post Economic Reporter  
"My plan would bring inflation down to 3 or 4 per cent a month after three months," outgoing Finance Minister Yigal Cohen-Orgad told a press conference yesterday. He would increase purchase taxes particularly on luxury items, increase value added tax and extend property taxes, he said.

In addition, real wages would be cut by 10 per cent, and income-tax payments reduced. Finally, he said, government expenditure would be cut by \$1 billion.

Cohen-Orgad said his plan called for a three-month implementation period, with the budget cut coming in the first month, including a \$300 million slash in welfare allowances and subsidies on basic commodities. Simultaneously, the Treasury would increase the purchase and value-added taxes.

Part of the price increases inevitably resulting from these steps—6 to 10 per cent according to the minister—would be absorbed by manufacturers, and thus the consumer price index would not increase by more than 15 per cent that month. The tax package would bring in \$500 m.

The second month would bring a wage and price freeze, with workers getting up to 10 per cent of the cost-of-living increment. In the third month, a property tax on expensive flats, cars and plots of land would be introduced, and tax brackets would be adjusted to lower come-tax payments. The reduced revenue from income tax would be covered by the income from the property tax.

Cohen-Orgad said he hoped the new government would adopt this scheme since it would also protect Israel's foreign-currency reserves. He predicted that by the end of the year, the balance of payments deficit would be some \$700m. lower than it was a year ago. "This is the yardstick by which the private banks abroad judge us," he added.

Speaking about inflation, he said that when he came to the Treasury the rate was already some 400 per cent. It was his predecessor, Yoram Aridor, who should be blamed for the current hardships, he hinted.

Cohen-Orgad declared that he had taken over the post at the worst moment. "We succeeded in rebuilding the public's confidence in the government and the capital market," he concluded.



Yigal Cohen Orgad (Dan Laudau)

## Ex-Georgian eavesdropped on alleged forgers in U.S.

Jerusalem Post Correspondent  
WASHINGTON. An Israeli police officer of Soviet Georgian origin helped the U.S. Secret Service gather evidence against the alleged counterfeiters arrested in New York on Friday in an operation coordinated with the Israeli police.

The officer, Superintendent Avram Sapir, and another Israeli policeman, Staff Sergeant Major Zvi Amari, were attached to the Secret Service, the U.S. Treasury agency responsible for battling counterfeiters.

Sapir translated bugged phone conversations between the suspects from Georgian to English. The suspects spoke freely on the phone, assuming that even if the line was

tapped they would not be understood.

The two officers, who belong to the Major Crimes Unit, are resting now after four strenuous months of secretly tracking the counterfeiting ring.

The Israeli police representative in the U.S., Commander Yehoshua Caspi, said yesterday that the Secret Service has praised the Israeli agents' work and the coordination with the Israeli Police, who captured the Israeli part of the ring simultaneously with the U.S. operation. The simultaneous arrests, he said, were decided on when it became clear that the counterfeiters were about to begin producing dollars.

## Reagan ready to sell more grain to Soviets

WASHINGTON (Reuters). — President Ronald Reagan yesterday offered to sell the Soviet Union an additional 10 million tons of U.S. grain in the financial year beginning

October 1. The Soviet Union, facing its sixth consecutive poor harvest, has been buying huge amounts of U.S. grain in the past two months.

## Reagan and Gromyko meeting set

WASHINGTON. — The meeting between President Ronald Reagan and Soviet Foreign Minister Andrei Gromyko could mark the start of a new relationship between the two superpowers, officials here and in Moscow said. The meeting, Reagan's first with a Kremlin leader, is to take place on September 28 at the White House.

A senior administration official cautioned against expecting any breakthroughs toward mending the

many differences between Moscow and Washington or in setting the stage for a resumption of arms-control negotiations.

Gromyko will come to Washington from New York, where he will attend the opening of the U.S. General Assembly. He already is scheduled to meet with Secretary of State George Shultz in New York on September 26.

One official said he was surprised that the Soviets agreed to the meet-

# Last-minute hitches in unity gov't Sharon's backing for Shas throws spanner in the works

## The proposed cabinet

Labour and allies	Likud and allies
<p>Prime Minister Shimon Peres</p> <p>Deputy Prime Minister Yitzhak Rabin</p> <p>Education and Culture Yitzhak Navon</p> <p>Public Security Haim Bar-Lev</p> <p>Economic Coordination Gad Ya'acobi</p> <p>Agriculture Aryeh Nechamkin</p> <p>Energy and Infrastructure Moshe Shahal</p> <p>Aliya and Absorption Ya'acov Tsur</p> <p>Health Mordechai Gur</p> <p>Without Portfolio Ezer Weizman</p> <p>Without Portfolio Yigal Hurvitz</p> <p>Communications Amnon Rubinstein</p>	<p>Deputy Prime Minister Yitzhak Shamir</p> <p>Foreign Minister David Levy</p> <p>Construction and Housing Moshe Arens</p> <p>Transport Moshe Katsav</p> <p>Trade and Industry Ariel Sharon</p> <p>(?) Science and Technology Moshe Nisim</p> <p>Finance Moshe Nisim</p> <p>Justice Arie Eliezer</p> <p>Tourism Gideon Pat</p> <p>Without Portfolio Yosef Burg</p> <p>Without Portfolio Yitzhak Peretz</p> <p>Without Portfolio Ehud Olmert</p>

## Unity accord cancels earlier party pacts

By ROY ISACOWITZ  
Jerusalem Post Reporter

TEL AVIV. — The agreements signed between the Likud, on the one hand, and Shas and Agudat Yisrael, on the other, are of no consequence to the national unity government. The final clause of the draft coalition agreement between the Alignment and the Likud states clearly that "this agreement nullifies any agreement between the sides and any other agreement between one of the sides and another party."

In other words, the unity government is under no obligation to uphold the promises made to the religious parties by the Likud during the coalition negotiations. The agreement bears out the statement by prime minister designate Shimon Peres to the Labour party central committee on Monday night that the coalition will go no further than supporting the status quo.

However, an earlier clause in the agreement goes at least part of the way to ensuring that the status quo will not be kept for long. Whereas the agreement provides for a free vote in several circumstances including electoral legislation and elections in the Knesset such as that for the president, it does not allow a free vote on religious matters.

"On matters of conscience and religion," the agreement states, "the

right of abstention will be upheld after clarification in the government or the coalition." The meaning is clear: coalition members opposed to religious legislation such as the "Who is a Jew" and "Archaeology" bills will not be allowed to vote against, only to abstain.

The clause nullifying previous agreements has no bearing on the agreement between Yahad and the Alignment, signed three weeks ago. In terms of that agreement, Yahad joined the Alignment as a faction and appears as such in the preamble to the coalition agreement: "Coalition agreement between the Alignment (Israel Labour Party, Independent Liberals-Yahad), on the one hand, and between the Likud, on the other." Mapam no longer appears as part of the Alignment, though the decision to split is not yet in effect.

The agreement is a long and finely detailed document, setting out the features and means of cooperation between the Alignment, the Likud and whichever small parties decide to join the coalition. Attached to the agreement is a document of policy guidelines, which is an "integral part" of the general agreement.

The agreement states that the government will be based on two main criteria: "Equality in the number of (Continued on Page 2, Col. 2)

Jerusalem Post Staff  
Prime minister-designate Shimon Peres and Premier Yitzhak Shamir were last night meeting to finalize the national unity government, which Peres hopes to present to the Knesset this morning. (Shamir-Peres agreement and government guidelines on page 2).

Both Herut and Labour yesterday approved their respective nominees for the cabinet portfolios.

A last-minute hitch threatened the coalition negotiations late last night however, and Peres and Shamir went into separate but adjacent rooms at Tel Aviv's Dan Hotel for urgent consultations with their respective senior party colleagues and advisers. The agreement was still unsigned and the position unclear at the time of going to press.

Labour sources said that the differences concerned the settlement and "Jordan" clauses in the policy

guidelines, and the allocation of the Religious Affairs Ministry.

According to the sources, Shamir arrived at the meeting with an ultimatum demand that religious affairs be awarded to Shas, as agreed on between that party and the Likud. The sources felt that Shamir's tough stand on the issue was on the insistence of minister without portfolio Ariel Sharon, who challenged Shamir's leadership at last night's Herut central committee meeting.

Peres reportedly rejected the demand, arguing that both sides had agreed that the portfolio would be left in the hands of the prime minister until it was decided who would receive it. Peres also argued that a clause in the coalition agreement nullified previous agreements with other parties.

While the Shas issue came as a surprise to Labour, the other difficulties had been anticipated. The two sides have yet to decide how many settlements (out of the 28

already decided on by the Likud government) will be established this year, and how many in subsequent years. They also have yet to agree on what cabinet majority will be needed for the establishment of new settlements.

Another difference of opinion concerns the peace process with Jordan. Likud representatives argue that the coalition agreement, as explained in public by Peres, does not sufficiently stress the Likud's position that any negotiations must be on the basis of Camp David.

Last night's meeting was the second of the day between Peres and Shamir yesterday. During a one-hour meeting yesterday afternoon they decided on the final division of cabinet portfolios, awarding energy and infrastructure to the Alignment and science and development to the Likud.

Should the differences be settled, Peres will go to Beit Hanassi this (Continued on Page 2, Col. 4)

## Levy backs Sharon in Herut vote on ministers

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

Minister without portfolio Ariel Sharon yesterday openly challenged outgoing Prime Minister Yitzhak Shamir's leadership at the Herut central committee meeting, which convened to approve Herut's representatives in the national unity government.

Shamir emerged victorious from the meeting, whose participants voted largely in favour of his list of ministers and against Sharon's demands, surprisingly supported by David Levy, that Herut ministers be chosen by secret ballot.

The list Shamir presented to the

committee was: Yitzhak Shamir — senior deputy prime minister; David Levy — deputy premier and housing minister; Moshe Arens — minister without portfolio; Ariel Sharon — industry and trade ministry; Moshe Katsav — labour and social affairs minister, and Haim Corfu — transport minister.

The vote, taken immediately upon the list's presentation, and without any discussion, was heavily in favour of Shamir's proposal. But some party activists, upset to hear that Yoram Aridor was not among the proposed ministers, stood up to protest led by Sharon. Sharon, who had lobbied for Aridor, said all Herut ministers

but Shamir should be chosen by secret ballot, and also challenged Shamir's proposal that the committee formally approve Herut's joining the national unity government.

Sharon said Herut should not join such a government until the issues of settlement in Judea and Samaria, negotiations with Jordan, and Herut's promises to smaller parties—namely Shas—had been worked out satisfactorily.

Outgoing Defence Minister Moshe Arens supported Shamir, and argued with David Levy when the latter joined the call for a secret ballot. Levy argued that if 15 per cent of committee members wanted a secret ballot, their demand must be acceded to according to the party's constitution. Herut's legal adviser, Isser Lubovskii said the 15 per cent rule applied to the movement's executive meetings, but not to central committee meetings.

Shamir brought the meeting to an end, saying the matter was already closed, as the vote had been taken, and the majority was clear. The meeting disbanded, leaving observers with a sense that the Herut's central committee was divided.

## Shinui executive okays agreement with Labour

Jerusalem Post Reporter

TEL AVIV. — A coalition agreement was signed by Shinui and Labour Party negotiators yesterday morning. Rubinstein said afterwards that his party had achieved "97 per cent" of its demands.

According to the agreement, Amnon Rubinstein would be communications minister, a ministerial committee would be established to

initiate electoral change, Shinui would have representatives on ministerial committees, and Rubinstein would be able to permit the establishment of independent radio stations and a second television channel. The agreement was ratified by the Shinui executive last night, and the decision was then accepted by its chief opponent, MK Mordechai Virshubski.

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## ZIONIST COUNCIL IN ISRAEL

### Meeting of Zionist Activists who Came on Aliya Recently

Objective: To integrate former activists in Zionist activities in Israel. The meeting will take place on Thursday, Sept. 13 at 4 p.m., at the Jewish Agency Building, 17 Kaplan, Tel Aviv, in the meetings hall, Floor 8.

Opening remarks: Mr. A. Tadmuri, Chairman, Zionist Council in Israel. The heads and activists of Zionist federations and Jewish organizations are asked to regard this as a personal invitation.

ing "after the games seem to be playing," a reference to the administration's disappointment that arms-control negotiations in Europe have been stalled.

Reagan told a White House press conference yesterday that one of the highest priorities of the talk is "to reduce the level of arms and to improve our working relationship with the Soviet Union."

Reagan said his administration is working toward "a safer world." He disputed charges by Democratic presidential nominee Walter Mondale that he has failed to work hard enough to come to terms with Moscow.

"We have not retreated from any meetings with them," Reagan said. Denying any politics was involved, Reagan said one of his principal intentions was to advise the Soviet official that "the U.S. means no harm."

Asked about Soviet objectives in agreeing to the session, Reagan said (Continued on Page 3)



## The weather at major Swissair destinations

ILLUS	MIN.	MAX.	C	F	W
AMSTERDAM	11	22	17	63	Rate
BRUSSELS	9	17	13	55	Rate
CHICAGO	13	20	17	63	Rate
COPENHAGEN	10	18	14	57	Rate
FRANKFURT	11	20	16	61	Rate
GENOVA	12	24	18	64	Rate
HELSINKI	12	24	18	64	Rate
HONG KONG	27	31	32	90	Rate
LOS ANGELES	18	28	23	73	Rate
LONDON	11	20	16	61	Rate
MADRID	15	29	22	72	Rate
MONTREAL	10	18	14	57	Rate
MOSCOW	18	24	21	70	Rate
NEW YORK	18	24	21	70	Rate
OSLO	10	18	14	57	Rate
PARIS	11	20	16	61	Rate
SAO PAULO	11	20	16	61	Rate
STOCKHOLM	10	18	14	57	Rate
TOKYO	22	28	25	77	Rate
TORONTO	10	18	14	57	Rate
VIENNA	11	20	16	61	Rate
ZURICH	12	21	17	63	Rate

## THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	28	13-28	30
Golan	28	14-30	32
Nabariya	--	-----	--
Safed	24	16-29	31
Haifa Port	24	16-29	31
Tiberias	28	18-35	36
Nazareth	32	18-31	33
Afula	32	17-34	35
Shomron	29	15-31	32
Tel Aviv	29	20-29	31
B-G Airport	24	18-30	32
Jericho	28	17-36	37
Gaza	32	20-39	30
Beerzabba	21	15-34	36
Eilat	5	21-39	40

## SOCIAL & PERSONAL

Israel Electric Corporation general manager Yitzhak Hefi is to speak on "Energy problems in the year 2000" at the Haifa Rotary club's weekly meeting, Nof Hotel, at 1 o'clock today.

Mr. Timor Goksel, Unifil spokesman, will speak on his organization's activities at the weekly meeting of Jerusalem Rotary Club at the YMCA at 1 o'clock today.

## ARRIVALS

Hyman Krutman, Chairman of the Ben-Gurion University Foundation in Great Britain, and his wife, Irene.

## Shamir visits hospitalized Begin

Jerusalem Post Reporter  
Former prime minister Menachem Begin, hospitalized in Jerusalem's Shaare Zedek Medical Centre, spent yesterday reading newspapers and resting. Doctors reported that he was in no pain, after being brought to the hospital on Sunday in an ambulance with complaints of pain in the urinary tract.  
Prime Minister Yitzhak Shamir was the only person allowed to visit Begin, except for the former premier's two daughters. Shamir chatted with him for 15 minutes.  
The Begin family has asked other friends not to visit him at present.  
Today Begin will undergo a series of tests to determine whether he needs surgery or other treatment. Begin is understood to have trouble with his prostate gland.

## Dutch minister visits for talks on trade

The Netherlands' deputy prime minister and minister for economic affairs, Gijbert van Aardenne, arrived in Israel yesterday for an official visit.  
Aardenne, who told reporters he was well aware he was arriving just as the cabinet here was being revamped, will meet with outgoing Industry and Trade Minister Gideon Par for a previously scheduled work meeting. Industry and Trade minister-designate Ariel Sharon will attend a banquet in honour of Aardenne. Aardenne is especially interested in technological cooperation between Israel and his country.  
The Dutch minister will also head Holland's delegation to the Liberal International Congress opening in Tel Aviv on Thursday. (See story on the congress, page 3.) (Itim).

## Syria says Soviets pledge to supply nuclear arms

HAMBURG (AP). - Syrian Defence Minister Mustafa Tlas said in this week's edition of the Hamburg-based news magazine *Der Spiegel* that the Soviet Union has promised to provide Syria with nuclear weapons in the event Israel deploys atomic weapons.  
"We are convinced that Israel has nuclear weapons at its disposal. The Americans have paved the way for the Israelis. They work together very closely on atomic technology," Tlas was quoted as saying.  
If Israel should deploy nuclear weapons, Tlas added, "the Soviet Union has assured us that under such circumstances it will place atomic weapons at our disposal capable of responding to a devastating blow."  
He was quoted as saying Syria could deploy "surface-to-surface or air-to-surface rockets. The Soviets could provide us the means for an atomic response in either case."

## HOME AND WORLD NEWS

### Shas, NRP contend for Religious Affairs seat

Post Knesset Correspondent  
The National Religious Party, Shas and Morasha were in ferment yesterday over their role and their representation in the national unity coalition due to be presented and approved in the Knesset today.  
The NRP announced that while it was resolved to enter the coalition, it would continue pressing for control of the Religious Affairs Ministry, even without the portfolio itself. This is in addition to its demand for the Interior Ministry.  
NRP leader Yosef Burg, who was named unopposed as the party's candidate for the cabinet, said that the status quo on religious matters must be written into the guidelines of the national unity cabinet and must be implemented in day-to-day practice.  
The NRP's refusal to let any other faction but itself have Religious Affairs has angered Shas so that it threatened to stay out of the coalition. After the four Shas men held an abortive meeting with Prime Minister Yitzhak Shamir yesterday, faction leader Rabbi Yitzhak Peretz came out fuming at the NRP for its "impertinence."

### Cohen-Avidov vies with Hillel for post of Speaker

Post Knesset Correspondent  
The Likud's Knesset faction yesterday nominated Meir Cohen-Avidov as its candidate for Speaker to oppose the Alignment's Shlomo Hillel.  
Cohen-Avidov was Deputy Speaker in the Tenth Knesset. Several Likud Knesset members expressed their reservations about nominating Cohen-Avidov on the grounds that he was far from being assured a majority.  
Some MKs complained that the matter was raised too late for the Likud to get a majority for its man. Faction whip Ronnie Milo countered that everything would have been arranged long ago if a candidate with the right prospects had been available.  
The Likud is aware that some of Cohen-Avidov's unbridled public remarks about Arabs, leftists and Peace Now supporters have caused doubts about his composure.  
Cohen-Avidov told reporters after the faction meeting that he did not regret any of his public statements. He had been misunderstood, he said. He hoped the religious factions would support him for Speaker on the grounds that he is a "traditional" Jew.  
"When Speaker Menachem Savidor was absent, I always conducted plenum sessions in a dignified manner," he said.  
Meanwhile, Hillel yesterday appealed over Kol Yisrael Radio's Arabic service to the Democratic Front for Peace and Equality and the Progressive List for Peace to vote for him as Speaker, without regard for the Alignment's political stand in the national unity coalition.

## UNITY ACCORD

(Continued from Page One)  
Alignment and Likud ministers, "and parity in the participation of other parties in a manner that will guarantee that one camp does not have a majority over the other."  
The prime tools for ensuring equality and parity are rotation of the premiership and the establishment of an "inner" cabinet to which the Alignment and the Likud will contribute five ministers each. The agreement states that Peres will serve as prime minister for the first 25 months of the government's term while outgoing Prime Minister Yitzhak Shamir serves as deputy prime minister and foreign minister. The positions will be reversed for the second 25-month period.  
The inner cabinet (which the document calls the "cabinet," while the larger body is the "government") will "act, decide, and decree on issues contained in the policy guidelines and on any other issue determined by the prime minister and his senior deputy, and will serve as the ministerial security committee." The agreement further states that the cabinet's decisions will be binding on the entire government and its decisions "will be as the decisions of the government."  
If a decision of the cabinet is appealed before the full government, Alignment and Likud representatives will vote "together in accordance with the decision of the cabinet," the agreement states.  
The innovations of rotation and the inner cabinet raise serious constitutional questions, and could lead to stasis in the government. According to various clauses of the agreement, the prime minister will not be able to unseat a minister, both parties are committed to the terms of the agreement for four years, and the Alignment is committed to supporting the leadership of Shamir after 25 months.  
If, for whatever reason, either Peres or Shamir is unable to continue in office, the party will choose a successor "in consultation with,

## PERES LIST

(Continued from Page One)  
puty minister of health. Among the other deputy ministers are likely to be MK Abdel Wahad Darousha (education and culture), MK Avraham Katz-Oz (agriculture), MK Adiel Amori (finance) and MK Uzi Baran.  
Peres also said that MK Abba Eban had declined a cabinet post and had agreed to serve as chairman of the Knesset Foreign Affairs and Defence Committee.  
Except Ya'acobi, most of the cabinet appointees appeared to be satisfied with the choice. Ya'acobi shook his head vigorously as Peres mentioned his name and walked quickly out of the hall. Outside he was heard to say: "I am not a political machine. I am a person with feelings."  
Labour sources said that Ya'acobi had agreed to accept the portfolio, at the strong insistence of Peres, only on condition that certain powers and responsibilities be transferred to it from the Treasury, and that the name of it be changed to economics minister. Apparently, Peres did not get the desired changes, having to suffice with a clause in the coalition agreement providing for the establishment of a ministerial committee to study the transfer of responsibilities.

## National unity government agreement (abridged)

The following is an abridged translation of the agreement for setting up a national unity government between the Alignment (Israel Labour Party-Independent Liberals-Yahad) and the Likud. It was due to be signed at the Dan Hotel, Tel Aviv, last night by Premier Yitzhak Shamir and Premier-designate Shimon Peres.  
- A national unity government will be established by the Alignment, the Likud and other parties wishing to join this agreement with the approval of the first two parties.  
- The government will have two basic principles: equality in the number of ministers and the maintenance of a balance between the parties when other parties join, so that neither of the camps achieves a majority over the other.  
- The government will operate according to the guidelines attached to this agreement, which are an integral part of it.  
- The government will function throughout the period of the 11th Knesset.  
- For the first 25 months Shimon Peres will be prime minister and Yitzhak Shamir will be foreign minister and deputy prime minister. During the second 25 months, Yitzhak Shamir will be prime minister and Shimon Peres will be foreign minister and deputy prime minister.  
- If either of them is unable to perform his task, his party will decide on a replacement.  
- The prime minister will not use his right under the Basic Law: The Government to dismiss a minister.  
- At the end of 25 months, Peres will resign and he and Shamir will recommend to the president that Shamir form the next government. Shamir will then form the same government.  
- The Alignment will have the ministries of Defence, Education and Culture, Agriculture, Energy and Infrastructure, Aliya and Absorption, Health, Police, Economic Planning and Communications or Transport.  
- The Likud will have the ministries of Finance, Justice, Labour and Social Affairs, Construction and Housing, Science and Technology, Tourism, Trade and Industry, Communications or Transport, and one other yet to be decided.  
- The Interior Ministry is being reserved for the National Religious Party, if it decides to join the government, and the Ministry of Religious Affairs is being held by the prime minister until it is offered to an agreed candidate.  
- An inner cabinet of 10 members - five from each party - will be formed and its decisions will be binding on the whole government.  
- If the inner cabinet (the word *Kabiner* is used in the Hebrew original) cannot agree, the matter will not be brought before the full cabinet except with the agreement of Peres and Shamir.  
- Among the ministerial committees to be established will be one for economic and social affairs, under Shamir or his nominee, and a committee headed by an Alignment member, to study changing the electoral system chaired by an Alignment man.  
- A deputy defence minister of the Likud will be appointed who will deal with matters defined by the defence minister after consultation with him.  
- A deputy finance minister of the Alignment will be appointed.  
- The Police Ministry will be revived and renamed the Public Security Ministry.  
- A free vote will be allowed on questions of election laws, election of judges and religious court judges. The possibility of abstention on religious issues will be maintained after consultation in the government or coalition executive.  
- Foreign-service appointments will be made on the basis of equality between the camps.  
- The law known as the "Norwegian Law" is to be introduced in the Knesset's winter session, enabling ministers to resign from the Knesset and be reinstated if they cease to be ministers.

## LAST-MINUTE

(Continued from Page One)  
morning to tell President Chaim Herzog he has succeeded in forming a government which enjoys the confidence of the Knesset.  
It is over five weeks since Herzog gave Peres a mandate to form the government, following the near-deadlock produced by the July 23 general elections.  
"The Knesset is expected," after a debate to give the government a vote of confidence by a majority of over three-quarters of the House.  
The premier and his cabinet will then be called up to give their declarations of allegiance as members of the government.  
After the ministers have been sworn in, they will all go to Beit Hanassi to be presented to Herzog.  
"Morasha, meanwhile, is still negotiating with the Likud for a cabinet portfolio. The Likud has already agreed that a Morasha man be made responsible for licensing essential work on the sabbath."

## U.S. woman could face jail for marrying son

CHARLOTTE, Tennessee (AP). - A woman has been arrested and charged with incest after it was discovered she was married for six years to her son, whom she gave up adoption 23 years ago, the authorities said Monday.  
Mary Ann Garton Bass, 43, was arrested and charged Saturday for marrying her son, Danny James Bass, in 1978. If convicted she faces a maximum penalty of 21 years in prison.  
Bass, 26, only recently discovered he married his natural mother, said Dan Cook, assistant district attorney general.  
"He became emotionally distraught and very upset that he had been married to his mother," Cooke said. "He contacted his lawyer...and asked our assistance in determining if there had been a violation of the law."  
Mrs. Bass gave her son to an uncle, Horace Sullivan, when he was 3 years old.  
The two met again when Bass was looking for his biological parents. They married shortly after, Cook said. Mrs. Bass never told her son that she was his mother, he said.  
Mrs. Bass was free on a \$5,000 bond. She was scheduled to appear in circuit court on October 5.

## STRIKE - Some 400 Safad municipal workers went on strike yesterday to demand that they be paid on the first of each month, not on the 15th as at present.

## Guidelines of the government's programme:

- The encouragement of aliya from all lands of exile and attempts to rescue persecuted Jews and bring them to Israel.
- The continuation of the peace process and the withdrawal of the ID from Lebanon, while assuring the safety of Galilee.
- The fostering of good relations with all peace-loving nations. The maintenance of friendly relations with the U.S. The attempt to renew diplomatic relations with the Soviet Union and Asian, African and Latin American countries that do not have relations with Israel.
- The strengthening of Israel's security and the forging of peace with all neighbours.
- The maintenance of a strong IDF, which will be a deterrent, and a determined stand against terror from wherever it comes.
- The development of Israel-Egypt relations on the basis of the peace treaty, an appeal to Egypt to make the peace meaningful and restore its diplomatic representation in Israel. The continuation of the Camp David peace process and the resumption of negotiations aimed at granting autonomy to the Arab residents of Judea, Samaria and the Gaza District.
- Israel will call on Jordan to enter into peace negotiations. The government will decide its proposals in the negotiations and will discuss proposals made by Jordan. In the event of a disagreement over the territorial issue, elections will be held.
- The Arabs of Judea, Samaria and the Gaza District will participate in deciding their future as stated in the Camp David Accords.
- Israel will oppose the creation of another Palestinian state between Israel and the Jordan River.
- Israel will not negotiate with the PLO.
- During the period of the unity government, no sovereignty, Israel or other, will be applied to Judea, Samaria and the Gaza District.
- An agreed number of settlements will be established within a year. (The list was being discussed by Peres and Shamir last night.)
- The timing of the establishment of new settlements will be determined by the government.
- The existence and security of the existing settlements will be guaranteed. The government will decide on their rate of development.
- Establishment of new settlements will be decided by a majority of ministers.
- The government will make security arrangements for Galilee that will expedite the withdrawal of the Israel Defence Forces from Lebanon in a short time, which will be decided by the government.
- The development of industry, particularly productive and export industry, and the reduction of the public and administrative sector. The encouragement of settlement in all parts of the country.
- The reduction of public spending, civilian and military, and the reduction of private consumption, and the encouragement of savings.
- An agreement between the government, the Histadrut and the employers.
- The extension of Project Renewal.
- The continued development of the Arab and Druse communities and the completion of master-plans to expedite building in those communities.
- The maintenance of the national ownership of land. A ministerial committee will be established to discuss exceptions.
- The sale of business assets will be decided by the full cabinet.
- A comprehensive economic plan will be brought before the Knesset and the public, and the government will implement it.
- The government will strive to maintain equal rights for all residents, regardless of religion, race, nationality, sex or ethnic group.
- The government will enact a law against racism.
- The government will establish a ministerial committee to study the electoral system and amendments to the Knesset Elections Law.
- The government will maintain the status quo on religious matters.

## Rubinstein challenges Shamir nominee for UN post

Post Diplomatic Correspondent  
The Foreign Ministry Appointments Committee is scheduled to meet today to discuss the competing candidacies of Binyamin Netanyahu and Elyakim Rubinstein for the ambassadorship to the UN.  
Ministry insiders did not expect the Appointments Committee, headed by Director-General Dan Kimche, to flout the minister's wishes. They added that even if so its decision was only in the name of a recommendation, and the minister could - and probably would - disregard it.  
Rubinstein's candidacy may persuade other hopefuls too to put forward their names. One such hopeful is Arye Levin, deputy chief of mission at the UN.  
CIA - President Ronald Reagan has assured Central Intelligence Agency Director William J. Casey he is welcome to stay on as chief of the agency if Reagan is reelected. The Washington Post reported yesterday.

To the Recanati Family

we share your grief on the passing of

**DANIEL RECANATI**

The Ephraim Ilfin Family

PEC

Israel Economic Corporation

deeply mourns the passing of

**DANIEL RECANATI**

Alliance Israélite Universelle in Israel and the Alliance School for Deaf Children in Jerusalem deeply mourn the passing of their staunch friend

**DANIEL RECANATI**

and express their sincere condolences to the family and particularly to our supporters

Mr. and Mrs. Raphael Recanati

Ben-Gurion University of the Negev

deeply mourns the passing of

**DANIEL RECANATI**

and extends sincere condolences to his wife and family.

In deep sorrow, we announce the death of our dear

**FRITZ BERNHARD**

The funeral will take place today, Wednesday, September 12, 1984, leaving at 1.00 p.m. from the Sanhedria Funeral Parlour for Har Hamenuhot, Givat Shaul, Jerusalem.

Mourners: Wife, Otti Bernhard  
Son, Joseph Bernhard  
Daughters, Naomi Kuperman and Family  
Rachel Kraay and Family  
Sister, Luzia and Dr. Nelken  
Brother, Haim Nadav

Shiva at the house of the deceased, 11 Hishenberg, Jerusalem.

On the 2nd anniversary of the death of our beloved

**LOUIS CHESSICK**

We shall meet at the grave on Friday, September 14, 1984 (א"ת ט"ו) at 11.30 a.m. at Herzl Cemetery.

THE FAMILY



## New organization to lobby for drivers' rights

**By YITZHAK OKED**  
Jerusalem Post Reporter  
TEL AVIV. — A small group of concerned citizens have decided to form an organization that will fight for the rights of motorists.

At a news conference here yesterday Yitzhak Helling, acting chairman of the Association of Israeli Drivers, said that they decided to form the organization because of the high rate of traffic accidents in Israel and the high taxes on buying a car in Israel. Helling said purchase taxes on cars are the highest in the world.

AID's main objective is to be a lobby for car owners, Helling said. "We want the government to stop milking us. The government now spends only 3 per cent of money it collects from car

owners on road improvement. Four hundred kilometres of road need to be improved, at a cost of \$250 million."

Helling studies have shown that traffic accidents cost Israel's economy \$475 million yearly, meaning that the government should find it profitable to invest in roads.

Asked why a new drivers' association is needed when the Israel Automobile and Touring Club (Mems) already exists, Helling said the existing club has a towing service and issues international drivers licences, but does not lobby.

AID will hold its first general meeting on Saturday at 5:30 p.m. at the Sun Club Hotel in Michmoret, north of Netanya. All Israeli drivers are invited to attend. Orthodox drivers are invited

to come after the end of the Sabbath.

AID plans to charge a yearly membership fee equivalent to \$15. It will provide legal aid to its members and if there are enough members it will try to get price reduction for members on auto up-keep and insurance.

Among the new organization's proposals:

- Devoting at least 50 per cent of the taxes on cars to improving Israeli roads.
- Abolishing all taxes on spare parts connected with the passenger's safety.
- Streamlining traffic laws and courts.
- Raising the maximum speed limit on certain roads to 120 kilometres per hour, and on the other roads to 100 kph.
- Allowing personal import of automobiles.

## Eban trying to stop debate on Israel on Rosh Hashana

**Post Knesset Correspondent**  
Interim Knesset Speaker Abba Eban has warned the Inter-parliamentary Union (IPU) not to omit "sacrilege against one of the most sacred days in the world religious calendar."

It would be doing so, he wrote in a letter to the IPU in Geneva on Monday, if it permitted Arab delegations to the coming conference in Geneva to lead off a debate on Israel on Rosh Hashana, when Israeli delegates would not attend.

Eban's cable demanded that a memorandum and a draft resolution be sent to the IPU delegation on September 26, 27 and 28 because of the Jewish New Year and the Sabbath following.

On those days, Eban wrote, the Israeli delegates could not be present to hear what were "outrageous charges" about alleged Israeli racist policies and actions in southern Lebanon.

He was sure, he wrote, that the IPU would not knowingly abet the profanation of Rosh Hashana and

that it would show fitting respect for religious susceptibilities by postponing the item.

The IPU's bi-annual conference runs from September 24 through 29.

The Knesset has long known that the Kuwaiti item would come up on Rosh Hashana, but because of the absence of a permanent Speaker, the non-functioning of the Knesset after the elections, and the uncertainty as to which Knesset members if any would attend the IPU, nothing was done about the debate until this week.

Veterans of IPU conferences doubt whether anything can be done to postpone the Kuwaiti move at this late hour.

Israeli officials, at all events, are preparing a black book on Kuwaiti parliamentarism, which notes, *inter alia*, that only 3 per cent of the sheikdom had the ballot in the last elections there in 1981, which only one political party was allowed to contest. The Kuwaiti parliament was suspended for five years between 1976 and 1981 for criticizing the government.

## Aguda's political influence extends to U.S. — AJC chiefs

**By HAIM SHAPIRO**  
Jerusalem Post Reporter  
Agudat Yisrael's success in using political power to gain financial and other concessions has "spilled over" into the U.S., where the ultra-Orthodox group has obtained similar concessions.

This is the view of Dr. David Gordis, executive vice-president of the American Jewish Committee (AJC), Rabbi Marc Tannenbaum, the organization's director of international relations, and other members of the AJC executive who met with members of The Jerusalem Post editorial staff yesterday.

On the financial side, they said, Aguda has identified itself as a "disabled minority" in the U.S. in order to obtain funds earmarked for such groups. Politically, it has been instrumental in the passage of a law in New York State that stipulates that if

a girl (religious divorce) is granted, it must be done "according to Halacha."

The AJC officials expressed concern that some elements in ultra-Orthodox Jewish circles in the U.S. have identified with fundamentalist Christian groups who "seem intent on undermining tolerance in America." But they expressed reservations about any attempt to channel American Jewish fundraising away from the existing framework for fear that this would only serve as an excuse for American Jews to stop giving altogether.

The officials expressed their relief that the "Who is a Jew?" issue has been effectively shelved as a result of the present political situation. Israeli leaders, they said, do not understand the extent of American Jewish resentment over this issue.

Meanwhile, the AJC plans to expand its activities in Israel.



The remains of an ancient wine press uncovered at the Byzantine village at Zichrin. The main press is in the foreground, behind are the receptacles and ledges for standing the baskets of grapes.

## 6th-century Byzantine village excavated

**By LEA LEVAVI**  
Jerusalem Post Reporter  
TEL AVIV. — A Byzantine village community, one of the first uncovered in Israel, has been unearthed this year during the third season of archaeological work at Zichrin at the southern end of the Yarkon basin.

This year's finds include a well-preserved Byzantine church, a Roman-style bathhouse, a wine press and an oil press.

Houses, pottery and other artifacts of daily life found at the site help to reconstruct the lifestyle of the rural population during the Byzantine period from the 4th to the

6th century CE. Dr. Moshe Fischer of the Classical Studies Department at Tel Aviv University and head of the expedition, said.

He added that most archaeological work pertaining to the Byzantine period has been done on cities, so this glimpse of village life is important.

The dig at Zichrin was a joint project of Tel Aviv University and the Israel Archaeological Society. Volunteer workers included youngsters from Israel and Germany, and financial support was provided by the Millstein Quarry and the Pioneer Company.

## Suspected drug dealer remanded for 8 days

**HAIFA (Itim).** — A man suspected of smuggling hashish out of Israel and exchanging it for cocaine, which he then distributed here, was remanded for eight days yesterday by the Haifa Magistrates Court yesterday.

He is Moshe Greenberg, 36, from Haifa, and is thought to have smuggled four kilograms of hashish out of the country on a wind-surf. It was then carried to England and exchanged for 250 grams of cocaine, which was brought back to Israel by couriers.

Greenberg, Inspector Avitan

Lamberski told the court, is also thought to have been the main financier of the operation, as well as the controller of a cocaine distribution network in Israel.

**RABBINICAL STUDENTS.** — Soviet officials have agreed to send two more students to a rabbinical seminary in Budapest later this year to help maintain the Jewish religion in the Soviet Union. Rabbi Arthur Schneier president of the Appeal of Conscience Foundation of New York said on Saturday.

## Elephants greet Mehta in India

**NEW DELHI (Reuters).** — Zubin Mehta, India's best-known orchestral conductor, came home yesterday to be greeted by two elephants and a series of questions about politics.

The conductor of the New York Philharmonic Orchestra and director of the Israel Philharmonic Orchestra since 1967, beamed as he posed for photographs next to two ilk-clad elephants.

"I am overwhelmed. It is hard to describe what I feel," Mehta said, arriving for only his second professional appearance in India in 17 years.

But reporters at a press conference were less interested in Mehta's emotions than in his ties with Israel.

"I grew up musically in Israel. I am a friend of Israel," he said.

He upset fans at home in 1978 when he said he would never play in India again unless it was with the Israeli orchestra.

"Now I'm proud to have broken my word bringing the New York Philharmonic," he said.

Mehta is to conduct the New York Orchestra's first Indian concert in Delhi today — works by Brahms, Bernstein and Beethoven — before going on to Calcutta, then Bombay, his native city.

## Escaped convict caught in Ashdod bomb shelter

**ASHDOD (Itim).** — A convict who escaped from a lock-up in the Fibertis area three weeks ago was captured yesterday in a public bomb shelter in Ashdod.

The man, Makhlof Benisho, has even years left to serve of an 18-year sentence for attempting to attack police officers.

The police intelligence unit in Ashdod learned yesterday morning that Benisho was hiding in the town. Policemen from Rehovot and Ashdod, Border Policemen and

Civil Guardsmen surrounded the area in which Benisho was hiding. After a search he was found in a public bomb shelter, together with a prisoner who was on furlough and a juvenile delinquent.

Benisho was carrying two identity booklets, an Israel Defence Forces reserve booklet, numerous vehicle registrations and keys to a car that was found nearby. Police suspect that he forged auto serial numbers and forged checks he stole from vehicles.

## Fewer breakdowns in electricity network

**HAIFA.** — The number of breakdowns in the national electricity network has been halved in the last four years, the Israel Electric Corporation spokesman said yesterday.

The number of malfunctions dropped from an average of 40.5 per 100 kilometres of high-tension cable in 1979-80 to 21 per 100 km. in 1982-83.

The spokesman said the reduction was achieved despite the stormy weather during the bad winter of 1982-83.

He attributed the drop in breakdowns to the renewal of overhead and underground power cables and improved maintenance of the national grid and sub-stations.

## Firemen may strike soon

**Jerusalem Post Reporter**  
**HAIFA.** — The country's 800 firemen seem set to intensify their job action to press their demands for a new labour agreement.

Since Monday, they have been answering emergency calls only, in protest against the refusal of the Union of Local Authorities to sign a new work contract.

The firemen have already agreed to stage a general strike if the Union rejects their demand for better pay and conditions. In the first stage, however, they are likely to institute other sanctions, including refusing to cooperate with the police and the Israel Defence Forces.

## Liberal International meets in TA tomorrow

**By MARK SEGAL**  
Post Political Correspondent  
The Congress of the Liberal International is convening for the first time in Israel, and will meet at Tel Aviv from tomorrow to Sunday. Of the 300 delegates from 25 countries, about half are members of government coalitions. The most senior officeholder coming is Iceland Premier Steingrinn Hermannsson.

The Dutch contingent will be led by that country's Vice-Premier Gijx van Aaranne and Bat of Belgium by its Vice-Premier Jean Gol, while Argentine President Raul Alfonsin is sending a personal envoy to the event.

Simone Veil, president of the Liberal Democratic bloc in the European Parliament, will be attending, and the Greek delegation will be led by Nikitas Venizelos, son of the legendary Greek premier.

Two countries without diplomatic ties with Israel, India and Spain, will be well represented at the Congress.

The assembly was originally to have been held in Jerusalem. But the two Israeli delegates to the April meeting of the International's executive in London were forced to bow to opposition, particularly of the British and Canadian delegates, and switch the site to Tel Aviv, to obtain a unanimous decision confirming the holding of the congress in Israel.

The Israeli delegates to that meeting were independent Liberal leader Moshe Kol, who has been a vice-president of the Liberal International for 30 years, and Yitzhak Nenner, for the Liberal Party (Likud). Nenner was an alternate delegate for the other Israeli vice-president, Tourism Minister Avraham Shariar.

Both Kol and Nenner stress that the overwhelming majority of Liberal leaders maintain

their traditional friendship towards Israel. Kol stresses in particular the depth of friendship displayed by the International's President, Senator Giovanni Malagodi of Italy, who will preside over the meeting.

Despite the Liberal ban on Jerusalem as the congress site, delegates will attend events in the capital, including a visit to Yad Vashem and a reception at Beit Hanassi hosted by President Chaim Herzog.

The British Liberals remain at the forefront of a virulently anti-Israel crusade in the International, especially due to the growing influence over British Liberal leader David Steele, of Arab lobbyist Lord Mayhew and his pro-PLO faction in that party.

Steele expressed his hostility to Israel at the April session of the International's executive when he arranged for King Hussein to invite a delegation of Liberal International leaders to Amman for discussions in the week before the Tel Aviv congress.

When Kol and Nenner asked Steele why the visit to Amman, which has never had a Liberal Party, was arranged just before the congress, Steele replied "It's convenient."

The two Israeli executive members under Steele's prodding were refused entry to Amman, but the Liberal International dismissed the banning of the Israelis.

Kol has a copy of the letter to Steele from Jordanian ambassador to Britain, Hani Tabbard, stating: "I regret to inform you that Israeli citizens, whether members of the government or not, are not allowed to travel to Jordan in the absence of mutual recognition, and in light of the current state of affairs in the region of which you are well aware."

Kol protested to Malagodi, registering his asto-

nishment at the Liberal International's capitulation to the Arab boycott. Kol noted that Israel welcomes delegates to conventions from countries with which Israel does not have diplomatic relations, and Israelis attend conferences under similar circumstances in places like Moscow.

Malagodi's reply, in a circular to fellow International leaders was that "the discussions in Amman will be attended by representatives of Saudi Arabia and Kuwait and we will hold a discussion on the general relationship between Islamic and western cultures."

Kol denies that the Liberal International has been totally influenced by the British Liberal leadership's anti-Israel, and often anti-Semitic, attitudes. Nor would he accept that Mayhew now dominates the British Liberals, many of whom remain sympathetic to the Jewish state. Holding the congress in Israel, for which much credit should go to Malagodi, Kol stressed, should be regarded as a demonstration of friendship for Israel by the Liberal International as a whole. He noted that this would be the first international political assembly of its kind ever held here.

The congress agenda does not include discussion of the Middle East situation, this minefield having been avoided by holding a special seminar in June in Rome on that subject.

The agenda will include such issues as privacy and the rights and responsibilities of individuals in a changing world, peace and disarmament, the international arms trade, children in war, and various motions pertaining to South Africa, Latin American and the environment.

Kol explained that the organizers sought to avoid getting involved in Israel's domestic politics, especially as they were aware of the differing positions of the two Liberal parties in Israel.



Olympic marathon runner Zahava Shmueli leads the more energetic members of the United Jewish Appeal National Campaign Leadership Chairman's mission on a 5:15 A.M. jog around the Jerusalem Hilton yesterday morning. Some 800 UJA leaders will be in Israel this month to open their National Campaign.

(Israel Sun)

## Army traffic deaths drop 25 per cent

**By HIRSH GOODMAN**  
Post Defence Correspondent  
There were 30 per cent fewer fatal road accidents involving the military from March through August than during the corresponding period last year, the OC Military Police, Tat-Aluf Baruch Geva, said yesterday.

Speaking to military correspondents at the Meggido prison on the occasion of Military Police Day, Geva said that 25 per cent fewer men in uniform have been killed on the roads in the above-mentioned six months than during the corresponding period in 1983. He attributed what he called the Israel Defence Forces' successful fight against road accidents to a recently established Military Police unit that deals specifically with road safety.

The new unit uses radar, unmarked vehicles, motorcycles and

other means that have been effective in clamping down on unsafe drivers.

Geva said that these figures include Lebanon, where one man has been killed in a traffic accident in the past six months covered as opposed to 13 in the corresponding period last year.

Only 6 to 7 per cent of prisoners in the five military prisons are being held for drug offences, he said.

The Military Police has stepped up efforts, including spot urine checks at some bases where drug usage is thought to be high, to end drug abuse in the IDF. But there has been no corresponding rise in arrests for drug offences.

Almost 70 per cent of the 215 prisoners held at Meggido are in for desertion. Fewer than 10 per cent are in for drug offences.

Geva reported that a major reform programme will soon go into effect whereby military prisoners will be classified into smaller, more homogeneous groups of men. Discipline will be maintained not by threat of punishment, but through a programme of incentives.

This was already being implemented at Meggido — the IDF's facility for long-term prisoners — where distinct groups with distinct privileges have been set up, and where prisoners can "graduate" from one group to the next by acquiring points.

One hundred and fifty prisoners (over 75 per cent) at Meggido are in one of the several factories at the prison, including a cement factory that in July made a IS178 million profit.

## Lahad dedicates hospital in South Lebanese village

**By MENAHEM HOROWITZ**  
Jerusalem Post Reporter  
**MARJAYOUN.** — South Lebanon Army Commander General Antoine Lahad yesterday dedicated a restored hospital in this central South Lebanon town.

The hospital, which has been functioning as a clinic since Operation Litani in 1978, will have 200 beds within a year, in pediatric, gynecological, surgical and emergency wards, as well as an outpatient clinic. Thirty doctors were brought from all over Lebanon to staff the hospital. It will have 100 nurses and orderlies.

From 1975 to 1978 the hospital had been shut down and used as a staging centre for PLO wounded.

Opening the hospital, Lahad praised the help he had received

from the Israel Defence Forces and appealed to the Lebanese government to "learn from Israel, which was once our enemy, how to help us."

IDF officers disclosed that the IDF was planning to establish a training centre for the doctors; but until it was set up the hospital's doctors would be coming to Israel for retraining courses.

The restored Marjayoun hospital is expected to relieve pressure on the Rebecca Sieff Government Hospital in Safad, where South Lebanese in need of hospitalization have been brought for some years. Sieff hospital officials also noted that the reopening of the Marjayoun hospital would improve the service for the Lebanese, as the journey to Safad takes up to two hours.

## Attacks on S. Lebanon Army checkpoint

**Jerusalem Post Reporter**  
**METULLA.** — A South Lebanon Army checkpoint was attacked twice with light-weapons fire and rocket-propelled grenades yesterday. No one was hurt and there was no damage in the attacks.

The checkpoint is located on the Akiya Bridge on the Litani River.

A large bomb was also placed next to the house of the checkpoint's commander in the nearby village of Ka'akiyat al-Jisar.

A South Lebanon resident was killed in a rocket attack yesterday when an SLA soldier accidentally fired his gun. The incident occurred near Jissin. The Red Cross treated the wounded.

The soldier was arrested for questioning, and the SLA has ordered an investigation.

## Man, 21, drowns

**ASHDOD (Itim).** — A 21-year-old man from Gan Yavne drowned off Lido beach here on Monday evening, after lifeguards on duty were unable to save him.

The man, Eitan Ovadiha, had gone swimming with a friend, and was carried away by strong waves. Lido is one of Ashdod's official swimming beaches.

The Ashdod police had difficulty informing the family of the death, as it took several hours to find a doctor willing to go with them to observe the state of the family's health when receiving the sad message.

## Gift sale to benefit hard-of-hearing children

Handmade toys, belts and other items suitable as gifts for the holidays are being sold in Tel Aviv to benefit Shema, an organization for hearing-impaired children.

The items were made by Shema volunteers Yitzhak and Sara Har, and are on sale at the Hod Club for hearing-impaired youth, 47 Rehov Yehuda Macabi, on Sundays from 8 a.m. to noon, and on Tuesdays from 3 p.m. to 7 p.m.

## The First National United Jewish Appeal Opening Conference in Israel

Mr. Alex Grass, National Chairman  
Mr. Stanley Horowitz, President  
Mr. Robert Loup, Chairman, Board of Trustees

On behalf of the Executive of the Jewish Agency for Israel, I am happy to welcome the UJA campaign leaders and the other participants in the First National Conference in Israel.

Your coming at this time, more than 1,000 strong, and opening the UJA National Campaign for the United States here in Israel, is a further affirmation of the centrality of Israel in Jewish life throughout the world.

The UJA slogan "partners for life" is an expression of the indissoluble ties that bind us. We wish you every success, and we pledge that we will carry out to the full our responsibilities as partners in this historic enterprise.

Arye L. Dulzin,  
Chairman of the Executive  
The Jewish Agency for Israel









Vidkun Quisling (AP)

## Fresh light on traitor

By SIMON HAYDON  
Oslo

NEWLY DISCOVERED letters and documents of Norwegian wartime leader Vidkun Quisling reveal that he had contacts with Nazi SS chief Heinrich Himmler on bilateral cooperation as early as 1933.

A letter dated that year from Himmler to the then defence minister, whose name became synonymous with "traitor" for his collaboration with Nazi Germany, was among 1,200 documents found by a Norwegian boy amongst garbage on an Oslo road soon after the war.

The papers had been stored in two cartons in an Oslo attic until earlier this year when the boy, now 43, showed them to a Norwegian reporter.

The man who found the documents wishes to remain anonymous, but he has decided he wants to sell them to the highest bidder.

Officials say the Norwegian government has started efforts to stop the historically valuable documents leaving the country.

Norwegian war historians have said there is little doubt about the authenticity of the papers. "They include about 1,000 letters from different people, different languages and with different stamps on the envelopes. There are also personal photographs and details that only Quisling could have collected," one historian said.

Hans Fredrik Dahl, the journalist given the papers, works for the popular Norwegian daily *Dagbladet*, which is about to publish them.

Dahl says the documents reveal that Quisling, who was executed in 1945, had extensive contacts around Europe before and during the war. These included Himmler and groups of British fascists.

Dahl added that the 1933 letter from Himmler shows there must have been a higher level of cooperation between Quisling and Himmler than previously known.

Furthermore it had also previously been assumed that Norway, which was occupied for most of the war, had no contact with the Nazis until 1939, when Quisling visited Germany, he added.

The documents include about 1,000 letters to Quisling from Norwegian and foreign politicians, activists and businessmen, dating from his schooldays to the final days of the war.

A source who has seen them says there are still people alive today around the world who could be badly hurt by these papers.

Norwegian historians have said he found was exceptional and unexpected. A large amount of Quisling's personal documents were released in 1979, after the death of his wife Maria, a Russian-born princess.

One historian says the documents are invaluable. "For Norwegians who suffered under this man, you cannot put a price to documents that show how he made his work and made him the most hated man in the country's history," he added. Dahl says he hopes they also reveal that Quisling, who was Norway's military attaché to the Soviet Union in the 1920s, was black market agent acting for companies in London and Berlin.



THE VAN LEER  
JERUSALEM  
FOUNDATION

invites the public  
to a debate (in Hebrew) on:

RELIGIOUS  
FANATICISM IN  
CONTEMPORARY  
JUDAISM  
AND ISLAM

Programme:  
5:00 p.m. WHAT IS  
RELIGIOUS FANATICISM?  
Professor Marcel Dobos  
6:00 p.m. RELIGIOUS FANATICISM  
IN CONTEMPORARY  
JUDAISM  
Dr. Menachem Friedman  
Dr. Menachem Friedman  
7:30 p.m. RELIGIOUS FANATICISM  
IN CONTEMPORARY ISLAM  
Professor Emanuel Swan  
8:30 p.m. RELIGIOUS FANATICISM  
IN CONTEMPORARY ISLAM  
Professor Emanuel Swan  
Moderator: Professor Hava  
Lazarus-Yafeh

On Tuesday, September 18,  
1984  
Albert Einstein Square

MUAMMAR Gaddafi's surprise treaty with Morocco could be another sign that the radical Arab leader wants to end his isolation from the Arab and African world. And possibly from the West, diplomats in Tripoli say.

The agreement caught most nations by surprise, and even Gaddafi said in a recent speech that the treaty between his revolutionary, pro-Soviet nation and the conservative, pro-West monarchy appeared "contradictory."

On a surface level it could help both North African nations to extricate themselves from costly desert wars as well as provide other security. But western diplomats in Libya who admit they are making only educated guesses, say there could be more to it.

"One thing that has become shining clear recently is Libya's desire to improve relations with the West," said one diplomat, who like several others interviewed asked not to be named.

As examples he pointed to the weekend release of two of six Britons detained in Tripoli without charges, Gaddafi's entreaties to visiting British and Italian dignitaries for aid in improving relations, and now the treaty.

Britain and the U.S. broke off relations with Libya because of its terrorist activities, and relations with

FOUR YEARS of fighting with neighbouring Iraq has cost Iran an estimated 150,000 men and incalculable billions of dollars and, perhaps more significant to the nation's future, has virtually frozen the five-year-old Islamic revolution. To most Iranians it is a war they cannot win but refuse to lose.

Undoubtedly most Iranians, robbed of sons or brothers and faced with shortages and high prices, would rather see the war over. However, despite the high number of "martyrs" and criticism of the influence of the *mullahs* (clergymen) in all walks of life, spiritual leader Ayatollah Ruhollah Khomeini still seems to enjoy widespread support for his refusal to negotiate peace.

Iraq's invasion of Iran in September 1980, its international isolation, intensified after the 1979-81 American hostage crisis, has given the country a feeling of a nation wronged.

"People are fed up with the effects of the war. But reports of war-weariness are an illusion," says a Western diplomat. "Not a single Iranian could countenance the thought of an Iraqi victory. If the Iraqis pushed into Khuzestan again there would be a tremendous wave of patriotism here," he adds.

THE LIVADIA Palace in Yalta is a mecca for Russian and foreign tourists eager to see the site where the leaders of the Soviet Union, the U.S. and Britain—three uneasy wartime allies—reached agreements that shaped post-war history and sparked controversy that still continues.

The conference at this Crimean resort took place in February 1945, but the discussion over what was agreed to, if anything, intensifying as the 40th anniversary approaches.

President Reagan recently told a group of Polish Americans at a White House luncheon that he rejected "any interpretation of the Yalta Agreement that suggests that American consent for the division of Europe into spheres of influence."

Moscow was quick to respond with an allegation that Reagan was defaming both the Soviet Union and the Polish government.

"No one is given to call into question the decisions of the Crimea conference—the White House included," the official Soviet News Agency Tass said.

The Allied leaders tried at Yalta to broach solutions to problems that they knew the war would leave. Stalin was determined to see "governments loyal in their attitude to the Soviet Union" in power in the eastern European countries that he

THE EUROPEAN Common Market opened its "new year" of economic bargaining this month with little cause for celebration.

The trading bloc faces a financial showdown in its decision-making council, a political challenge in the European Parliament and doubts about the economic future in its national capitals.

And while searching for solutions, Common Market officials will also be racing against time to finish negotiations on expanding their 10-nation club to 12 by admitting Spain and Portugal, and reaching agreement on a new aid and trade pact with 64 African, Caribbean and Pacific nations.

Western Europe, meanwhile, is experiencing higher inflation, more meagre economic growth and higher rates of unemployment than either the United States or Japan.

Even if the trading bloc succeeds in settling financial problems and completing other major negotiations this fall, the uncertain outlook for the European economy is not likely to change much.

One of the major problems is unemployment. It has been estimated that unemployment in the 10 member countries will average 11.1 per cent of the work force this year, rising to 11.4 per cent in 1985.

In the United States unemployment is projected to fall to an average 6.9 per cent next year from a 1984 average of 7.5 per cent. And Japan's unemployment rate is expected to remain at this year's 2.6 per cent.

# Gaddafi sets new course

By JOHN WINN MILLER / Tripoli

France have been severely strained by the war in Chad, where Gaddafi supports the rebels against the French-supported government.

The war—Gaddafi has committed up to 5,000 troops to it—is sapping the Libyan economy, while Gaddafi's man in Chad, Goukouni Oueddei, is losing popular support there.

"Goukouni is finished. Not even the Libyans like him any more," a diplomat said.

Gaddafi may see the new treaty as a way out.

FRENCH PRESIDENT Francois Mitterrand visited Morocco twice this month for talks with Morocco's King Hassan II. The subjects discussed have been kept absolutely secret, but the prestigious French daily *Le Monde* said Hassan might go to Tripoli soon, possibly to mediate in the Chad conflict.

Also Hassan, who has close rela-

tions with the U.S., could be a bridge in Gaddafi's quest to end his isolation, the diplomats say.

"Gaddafi has recently been looking for a dialogue with the United States and seeking moderators," another diplomat said. "He may also be seeking a deal with France over Chad through Hassan."

As to why Gaddafi is suddenly changing his tune towards the West, the diplomats speculated that the reasons are both economic and military. With 95 per cent of its income derived from oil, Libya needs western technology and manpower. Since most Americans pulled out in 1981, many of the oil fields have begun to fall apart because of a lack of expert maintenance, they said.

One diplomat also suggested that Gaddafi may be worried that the Reagan administration "will really try to do him some harm" on an economic and military level.

On the Arab and African front, Libya has few friends. Gaddafi has been repeatedly thwarted in attempts to become head of the Organization of African Unity, and few countries support his intervention in Chad.

"Morocco carries a lot of influence in Africa," one diplomat said. The treaty also calls for a mutual defence pact, which will make Algeria, situated between Morocco and Libya, think twice about any action against Morocco.

Algeria has been trying to wrest control of the former Spanish Sahara from Morocco since Rabat annexed it in 1975. Algeria and Morocco broke diplomatic relations over the Sahara war and Libya was once the guerrillas' main backer.

Morocco also has a serious desert war with the Polisario guerrilla movement based in Tindouf. Libya used to be the guerrillas' main support, and although Libya announced a year ago that it was backing out, the treaty gives Hassan assurance that he "is seeing a real solution to a long war," said a diplomat.

In 1983, Algeria signed a treaty of friendship and cooperation with its other North African neighbours, Tunisia and Mauritania. That isolated Morocco and Libya and "it was natural for them to seek a counterbalance," one diplomat said.

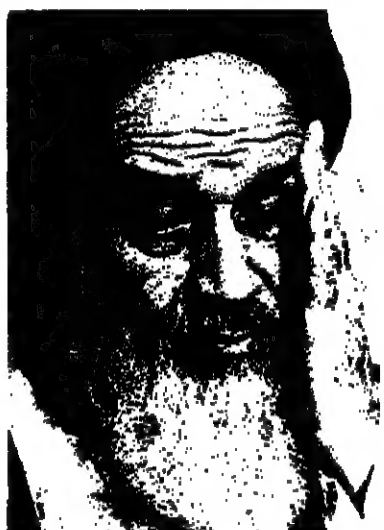
(The Associated Press)



Muammar Gaddafi...seeking a dialogue with the U.S. (Camera Press)

# Khomeini still riding high

By PHIL DAVISON / Teheran



Ruhollah Khomeini (Camera Press)



Saddam Hussein (Keystone)

WHEN IRAQI President Saddam Hussein sent his troops into the southwest Iranian province four years ago he could not have known that he was launching one of the longest, costliest and bloodiest conflicts of recent history.

His apparent aim was to settle some old territorial claims dating from the days of the shah of Iran, toppled the previous year by Khomeini supporters.

Hussein, no doubt wary that Iran might try to export its Shi'ite Muslim revolution to Iraq, was generally assumed to have foreseen a quick victory over the troubled Teheran government.

This was the first of many miscalculations by both sides. The war, often forgotten by the outside world has to date, cost the lives of an estimated 250,000 men—100,000 of them Iraqis.

Iran has spent up to \$30 billion of its oil revenue on the war, but even that is a fraction of the actual costs. There has been a loss of manpower from economic infrastructure to the armed forces, the huge local currency costs of supplying the troops and loss of revenue from areas ravaged by the war.

The latter include not only the oil fields and refineries around Abadan in the Iraqi firing line and long

since shut down—but also Khuzestan's traditional industries and agriculture, once the most productive in the country.

When the war ends, reconstruction too will run into billions of dollars with scores of border towns flattened and abandoned and many others badly damaged.

But seen from Teheran, there is no end to the war in sight. Most military sources here predict continuing but limited Iranian offensives to maintain pressure on the Iraqis.

Diplomats in Teheran, dismiss as simplistic recent foreign press reports of a split within the Iranian leadership over how or whether to continue the war.

Iranian prime minister Mir-Hossein Mousavi said recently that he sees no end to the war unless Hussein falls from power.

CHIEF OF STAFF of the armed forces, General Qasem Ali Zahedi, has made it clear to the hardline religious ideologues that Iranian forces cannot make any more significant gains with the present arms balance.

Diplomats say a recent U.S. Senate report on the Gulf war was accurate in its general assessment that the war has tilted in Iraq's

favour in terms of arms, but they believe there were several significant errors in the Senate report.

"Contrary to the report, Iraq may not be capable of seriously damaging Kharg Island (Iran's major oil terminal in the Gulf)," a Western military attaché said.

He added that he didn't think the Iraqi pilots "good enough." He believed Iraq was using the possibility of hitting Kharg Island as a threat to Iran and that Iran was doing the same with its warnings that it could seal off the Gulf at the narrow Strait of Hormuz.

Iranian Heavy Industries Minister Behzad Nabavi, however, indicated to a Teheran newspaper that Iran was stockpiling wheat in case imports were halted by closure of Hormuz.

In the meantime, the ground war of attrition drags on, from the mountains of Kurdistan in the north-west to the dusty plains of Khuzestan and the Gulf.

At present, there is not much fighting and few casualties. And the war receives little coverage in the English- and farsi-language newspapers during lulls in the fighting. Apart from high prices and shortages, a visitor to Teheran could be forgiven for not knowing there was a war on at all. (Reuter News Service)

# Remembering Yalta

By PETER MILLAR / Yalta

believed facilitated the Nazi attack by their hostility to Moscow.

POLAND'S EASTERN frontier was accepted as the Curzon Line. Put forward by Britain's Lord Curzon years earlier as an ethnographic dividing line between Poles and eastern Slavs.

Effectively the Western powers were acknowledging the 1939 Soviet annexation of eastern Poland, thus laying the ground for Polish annexation of parts of eastern Germany in compensation.

Other declarations called for free elections in eastern Europe. But what happened was that Communist governments took over, backed by Soviet troops who pushed out the German occupiers.

Historians have since debated to

what extent the Soviet Union was guaranteed a free hand in Eastern Europe. British historians have accused Roosevelt of being naive—substantiating this charge with his statement, "Stalin is not an imperialist."

AT LEAST ONE group of American exiles from eastern Europe has banded together in a "revolve Yalta" pressure group.

After visiting Hungary and Rumania a year ago U.S. vice-president George Bush said: "We recognize no lawful division of Europe." Washington has since said it will deal with the countries of eastern Europe on their own individual merits.

The series of 40th anniversaries in the next few months commemorating events surrounding the war's end

give heightened sensitivity to the results of Yalta.

East European leaders, successors of the men put in power after the war, have been writing articles for *Pravda* expressing national gratitude for the Soviet liberation.

The Soviet media is railing against the Federal Republic of Germany, accusing Bonn of trying to undermine the communist east German state with copious cash grants. West German "revanchists" are accused of vociferous demands for the return of lost territories.

The main street of Yalta's old town is still named after Franklin D. Roosevelt and a bust of the former president stands next to one of Stalin in Livadia Palace, a czarist summer home on a hill not far from the late Leonid Brezhnev's holiday villa.

The nearby palace where Winston Churchill stayed during the week-long conference is also on the tourist map.

British and American tourists are not treated to the trade against "Reagan and the revanchists" as they wander through the palatial rooms of Livadia. Nor, perhaps even more diplomatically, are the east Germans who stand obediently attentive to their guide in the room filled with pictures of bombed-out Berlin. (Reuter News Agency)

1986. Britain, however, argues that the new money must be made available in the fall of 1985, and it is expected to link this issue to the budget debate.

Despite the many stumbling blocks, few observers doubt that compromises will be found to allow Spain and Portugal to become the first new members since Greece joined in 1981.

The Common Market is also trying to reach agreement with 64 African, Caribbean and Pacific nations on a new five-year trade and aid agreement to replace a pact scheduled to expire next February. The current agreement, called the Lome Pact, is the largest of its kind between the Common Market and non-member countries and is considered a model for European economic relations with the developing world.

The talks are expected to be continued sometime in September.

Among the main points of contention are a Common Market demand for greater control over how the aid is spent. Also, the recipient countries have said they want the aid increased to about \$6 billion over five years from the 1981-5 total of \$4.4 billion.

The pact is also to provide preferential access to the Common Market for the developing countries' exports as well as cooperation in industrial, financial and technical projects. The Common Market also wants to include a human rights provision in the pact, although the recipient countries have not agreed to that idea.

# Mao hangs on

By JEFF BRADLEY / Peking

MAO TSE-TUNG's giant portrait is still missing, but he will still retain a place of honour as renovations of Peking's Tiananmen gate and square are readied for October 1 celebration of China's 35th anniversary.

Protruding nails on the famous, crimson-walled gate indicate that Mao's picture will reappear, despite speculation that the nation's current leader, Deng Xiaoping, might abandon the tradition.

Deng has criticized Mao's "errors" and reversed many of his policies, but apparently Mao the revolutionary is to remain publicly revered.

Other changes are also visible around the world's largest public square for the national day festivities, which reportedly will include a parade by 70,000 soldiers and civilians, the largest in a decade.

The two slogans hovering over the side arches of Tiananmen are now illuminated at night. They read, "Long live the People's Republic of China" and "long live the great unity of the people of the world."

First built in 1417 under Ming

dynasty Emperor Yong Le, whose edicts were delivered from its parapets, Tiananmen (Gate of Heavenly Peace) was rebuilt in 1651 under the Qing.

It was from a platform at Tiananmen, addressing hundreds of thousands of his supporters, that Mao proclaimed the founding of the People's Republic on October 1, 1949.

"The Chinese revolution is great, but the road after the revolution will be longer, the work greater and more arduous," Mao prophetically said.

In the intervening years, his campaigns caused China to lurch from crisis to crisis. An anti-rightist purge in 1957 persecuted and alienated intellectuals, and the 1958-60 "great leap forward" into collectives and backyard factories led to famine which analysts say may have claimed more than 20 million lives.

The "cultural revolution" that Mao led from 1966-76 brought anarchy and disruption until his death in 1976.

(Associated Press Service)

# Jewish Medical Law

Avraham Steinberg M.D.

What is the Jewish law regarding contraception, organ transplants, human experimentation, Sabbath desecration, dietary laws and medical confidentiality? These are only a few of the questions answered in JEWISH MEDICAL LAW. The concise laws presented are based on Rabbi E.Y. Waldenberg's multi-volume *Tzitz Eliezer*. Ideal for those in the medical, legal and rabbinic professions.

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## Need may force TV and the arts to seek business sponsorship

By LEA LEVAVI  
Jerusalem Post Reporter

TEL AVIV. — Israel Television's refusal to mention the name of commercial sponsors prevents the financing of plays and concerts for the medium. This was stated Monday by Avner Shalev, chairman of the Public Council for Art and Culture and head of the Culture Department in the Education Ministry.

He was speaking at a press conference regarding a seminar held at the Manufacturers' Association headquarters here today to encourage businessmen to sponsor the arts. Shalev said that offers of commercial sponsorship have in the past been withdrawn when Israel Television refused to give the sponsors a credit line or any other mention.

Shalev said that artistic institutions in Israel have long been reluctant to accept commercial sponsorship for fear that this may be considered "not artistic" or that business will interfere in the choice of repertoire. However, he added, economic necessity has now made it necessary for theatres, orchestras, and museums to accept and even seek business involvement.

## Big future seen for smaller, 100-seat jet airliners

FARNBOROUGH (Reuters). — With the air travel business struggling out of recession, two European planebuilders think they have spotted a lucrative slot in the market for 100-seat jetliners.

At the Farnborough Airshow which ended on Sunday, the Dutch firm Fokker and British Aerospace (BAE) were the only planebuilders offering the new class of passenger jet which they predict will become one of the most sought-after airliners of the next 15 years.

They say World Airlines may need as many as 1,000 of the 100-seaters by the end of the century, with each plane costing about \$15 million.

At present there is no sign that Boeing, McDonnell Douglas or Airbus, the heavyweights of the industry, are going to move down from their bigger planes to make airliners this size.

So Fokker and BAE, if their predictions are right, are set to share a market which at present-day prices could be worth at least \$1.5 billion.

A relaxation of official controls on commercial flying in the U.S. has brought a proliferation of airlines, particularly on short and medium-haul routes.

More carriers mean more competition and this means fewer passengers per plane. To fly economically the airlines need smaller planes. Moreover, the signs are that the most buoyant sector of the U.S. and European markets is business travel.

More executives are travelling by air and they want more routes preferably serving airports near to city centres. They also want short-hop services to take them from smaller centres to major airports where they can take long-distance flights.

## Laser Industries expands in the U.S.

TEL AVIV. — Laser Industries has acquired full control and ownership of Metalworking Laser's International (MLI), a company engaged in the manufacture and sale of carbon dioxide industrial laser systems for the metalworking industry. Laser Industries, which previously held a 50 per cent interest in MLI has through its U.S. subsidiary acquired the remaining 50 per cent from an American corporation.

MLI last year successfully concluded a \$7 million multi-year development project, which resulted in the introduction to the U.S. market of this year's MLI08, a seven to nine kilowatt, high-power industrial laser system. Two of these units were sold and shipped in the first half of

## Robot works 3 shifts 'without complaining'

Jerusalem Post Reporter

TEL AVIV. (AP). — A robot manufactured by Oshap Technologies, of Herzliya, recently began working at the Magma factory, which makes magnets.

Arie Kobrinski, head of Magma, said that the robot not only works three shifts "without complaining," but also speeds up production, while producing fewer defective magnets. The Magma plant is located at Kibbutz Geshper.

## Mideast buying less U.S. technology

WASHINGTON (AP). — The U.S. share of the Middle East market for advanced technology equipment and services is more likely to shrink in the future than expand, a study prepared for the U.S. Congress said this week.

The Congressional Office of Technology Assessment said the decline would be due partly to the end of multibillion-dollar "megaprojects" in Egypt and Saudi Arabia. Other factors may be decisions by recipient countries to diversify suppliers, expanded U.S. export restrictions and increases in the cost of U.S. technology.

But despite the possible decline, the Middle East remains an important market for technology trade in the years ahead, even though the period of explosive growth has ended, the report said.

U.S. companies have maintained about 20 per cent of the machinery and equipment market in the last decade, but have strong competition from Western Europe and Japan. The Japanese share grew from 9 per cent in 1970 to 23 per cent in 1980.

All told, the machinery and equipment exports from industrial countries to the Middle East rose during the decade from \$5.5 billion in 1970 to about \$10.6b. in 1982.

## French cabinet likely to approve austerity budget

PARIS (Reuters). — The French 1985 budget, which goes for cabinet approval today, will limit state spending and keep a tight rein on buying power, while offering tax cuts to encourage investment and industrial modernization.

The aim of the package, much of which has been made public, is to cut the budget deficit in line with the austerity policy of the past two years, while giving more flexibility to small companies and encouraging older industries to modernize.

The policy has aroused a storm of protest from the Communist Party which served as the Socialist's junior coalition partner for three years, but left the government in July when Laurent Fabius was named prime minister.

Fabius, reflecting President Francois Mitterrand's wishes, has made the modernization of France's ageing industrial base a top priority, even at the cost of higher unemployment.

The Communists accuse Mitterrand of reneging on his election

## Inventory of imports down

By MACABEE DEAN

TEL AVIV. — The inventory of imported goods has been sharply reduced over the past few weeks in nearly all fields, and there has also been a drastic drop in fresh orders placed abroad. This emerges from a survey recently completed by the Federation of Israeli Chambers of Commerce.

The federation says that this situation "could be dangerous" in many respects. Since there are fewer goods on hand, wholesalers and retailers stop making efforts to move their stocks — and this in turn leads to higher prices. The federation also believes that a low level of inventory in many fields could constitute danger, if the security situation should

ever take a turn for the worse.

The survey puts the blame for the development mainly on the "feeling of economic uncertainty which is in the air," plus the fact that importers don't want to get caught with large inventories during a sharp decline in sales. Other reasons are the high cost of financing, the freeze on government purchasing, and the recent tighter restrictions on foreign currency.

There are indications that the inventory of plumbing supplies, cleaning materials and sports equipment, have dropped by 10 per cent. There has been a drop of up to 60 per cent in other fields, such as electrical appliances, textiles and building lumber.

## \$1.5m. shipment for California solar station

Jerusalem Post Reporter

HAIFA. — The final shipment of Israeli-made equipment for the world's largest solar power station left the port here last night on board the container ship *Zim New York*.

The components, worth \$1.5 million, have been manufactured by Luz Industries (Israel), which also designed the power station, currently under construction in Southern California.

The solar plant will have a 14 Megawatt capacity output, making it the largest of its kind in the world. It is due to become operational by the end of this year.

A spokesman for the Jerusalem-based Luz firm said Israel stands to gain \$40m. in exports from the project, which is costing a total of \$62 million.

## WHAT'S ON

Notices in this feature are charged at \$4 per line; insertion every day of the month costs \$80. Payment in Israeli shekels (prices do not include VAT).

**JERUSALEM MUSEUMS**  
Israel Museum Exhibitions: Ancient Egypt, new German paintings; Plastics, children's works and activity corner; Egypt, the Other Side of the River — ancient Egyptian objects (Rothschild Museum); 12 Pages from Cairo Geniza; Happy Accidents, Marcel Duchamp and Max Ray, Scrap — creating home theatre sets and greetings cards; Permanent collection of Jewish Art and Archaeology; Ticho House, works by Anna Ticho, Hamkila lamps, library and garden cafe.  
Visiting hours: Mon-Mon: 10-5. At 11: guided tour in English. At 3:30: Maya the Bee, animated children's film, dubbed Hebrew dialogue.

**CONDUCTED TOURS**  
HADASSAH — Guided tour of all installations + hourly tours at Kinyat Hadassah and Hadassah Mt. Scopus. Information, reservations: 02-416333, 02-446271.

**TEL AVIV MUSEUMS**  
Tel Aviv Museum Exhibitions: Natan Gutman, paintings and illustrations; White City, international style architecture in Israel; Collections — Classical 17th and 18th century painting; Impressionism and Post-Impressionism; 20th Century Art; Selection of Israeli Art; Twentieth and Thirties in Israel Art; Special loans, including paintings by Monet, Miro, Picasso, Bonnard, Matisse, Rodin, Giacometti.  
Visiting hours: Sun-Thur: 10-10. Fri. closed. Sat: 10-12. Hebrew Museum: Pavilion: closed for preparation of new exhibition.

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## Your money & your questions

By JOSEPH MORGENTHAU

**QUESTION:** The share market is experiencing a good rally. How do you feel about future developments?

**ANSWER:** As has often been pointed out, stock markets abhor uncertainties, especially such as surrounded the formations of the new unity government. Once it became clear that such a government would be formed, a rally took shape. Unfortunately, the fundamental facts of falling foreign currency reserves and inflation have not yet found a solution. Harsh economic measures can be expected soon, and it is unlikely that a positive market atmosphere can be maintained in the period ahead.

**QUESTION:** The Israeli Etz Lavud company has shares registered for trading on the American Stock Exchange. On a number of occasions I have tried to check their prices, but no listing was to be found. Can you please explain?

**ANSWER:** The shares of Etz Lavud are indeed registered and traded on the American Stock Exchange. But they are tightly held by the Yehudi and Kremerman groups, as well as by the Yoram Gil group. As a result there is very little trading in these shares. On any given day when the shares are not traded, the listing does not appear on the American Stock Exchange price tables. According to my records Etz Lavud for the quarter ended June 30, 1984 showed earnings of \$172.63

per share, compared with \$139.28 per share for the same quarter in the previous year. Sales for the quarter came to \$12.4 billion, compared with \$1588.6 million a year earlier.

**QUESTION:** Have the recent elections had any influence on the price of Israeli shares traded on Wall Street?

**ANSWER:** Indeed they have. The recent downward pressure on the prices of these shares was finally lifted when news of the establishment of a government in Israel reached the investment community.

**QUESTION:** Elected shares were supposed to be listed on the New York Stock Exchange the week of September 10. Did this actually happen?

**ANSWER:** Yes, on September 10 the shares of Elscint traded for the first time on the New York Stock Exchange. Initially they traded at \$10 a share, before easing back to \$9.34. The event marked the first time an Israeli company had its shares listed on the prestigious New York Stock Exchange. To the best of my knowledge Elscint has the highest number of shareholders of any of the Israeli companies with shares on Wall Street. The number of shareholders is about 2,500.

**QUESTION:** I have received a fairly large sum of money in shekels. I am planning to spend this money before the end of the year. Do you have any suggestions how this money should be invested until then?

**ANSWER:** Buy Patam dollars and hope for the best.

## Wooring foreign farmers to come on tour

A congress on agricultural tourism to be held in Israel in November to attract more visitors to see the country's advanced farming techniques, the tourism ministry announced yesterday.

Among those being invited to the congress are travel agents, heads of agricultural organizations and jour-

nalists. During the nine-day event the participants will tour farms and related installations.

In another effort to promote tourism, the large British travel wholesaler, Thompson, is planning a colour advertising supplement for the mass-circulation *Sunday Times* featuring Eilat as a winter holiday

## ENTERTAINMENT

### TELEVISION

**EDUCATIONAL:**  
8.15 School Broadcast 15.00 Surprise Train 15.45 Rehov Samson 16.15 Near Oases and Dear Ones 17.00 A New Evening — live magazine  
**CHILDREN'S PROGRAMMES:**  
17.30 Smurfs  
18.00 Book Look — children's book review  
**ARABIC LANGUAGE PROGRAMMES:**  
18.30 News roundup  
18.35 Cartoons  
18.45 Inventions and Innovations  
19.00 Between Citizen and State  
19.30 News  
**REVIEW PROGRAMMES:** resume at 20.00 with a news roundup  
20.02 Spurred on by Shalev — nature film  
20.30 Movie Time — bi-weekly cinema magazine  
21.00 Mabat Newswired  
21.30 Mabat  
22.05 Shoot-Out: Henry Hathaway's 1971 Western stars Gregory Peck and Pat Quinn  
23.55 News  
**JORDAN TV (unofficial):**  
17.30 Cartoons 18.00 French Hour 18.30 17.30 That's Incredible 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Three's Company 21.10 Documentary 22.00 News in English 22.15 News  
**MIDDLE EAST TV (from T.A. north):**  
13.00 Insight 13.30 Another Life 14.00 700 Club 14.30 Shape-up 15.00 Afternoon Movie 16.30 Incredible Hulk 17.00 Popeye 17.30 Super Book 18.00 Laramie 19.00 Bonanza 20.00 Another Life 20.30 World News Tonight 21.00 Entertainment Special WKRP Cincinnati 21.30 Father Murphy 22.30 High Chaparral 23.20 700 Club 23.50 News Update

### ON THE AIR

**Voice of Music**  
6.02 Musical Clock  
7.07 Supper: Foot and Penant, overture; Bach: Capriccio  
7.30 Handel: Concerto Grosso, Op.6, No.7; Haydn: Symphony No.105 in E-flat, D-minor (London, Leppard); Strauss: Piano Concerto in A minor, Op. 54 (Ashkenazy, IPO, Previn); Brahms: Clarinet Quintet, Op.115  
9.30 Telemann: Concerto for 3 violins in F major; Mozart: Fostoria Serenade, K.320 (Cleveland, Szell); Beethoven: String Quartet in E-flat major, Op.27; Schubert: Schwanengesang (Dietrich, Moore)  
12.00 Recital by Annette Nicolet, flute  
13.05 Prokofiev: Romeo and Juliet, ballet, Op.64  
15.00 The Music of the Red Indians  
15.30 Young People's Concert — 1984  
16.00 Please meet (no details available)  
16.30 The Swiss Radio Symphony Orchestra conducted by Shmuel Friedland/Haim Holiger, oboe — Maurice Strakosky; Gel-brun: Oboe Concerto from the Capriccio; Concerto: Mozart: Symphony No.35, Haffner  
18.00 Contemporary Music — Bang Four Pieces for Clarinet and Piano/Rubin

### First Programme

6.05 Programmes for Orit  
7.30 Morning Concert (from Voice of Music)  
9.30 Ecovision — live family and social affairs magazine  
10.30 Programme in Easy Hebrew  
11.10 School Broadcast  
11.30 Education for all  
12.05 Sephardi songs  
13.00 News in English  
13.30 News in French  
14.05 Children's programmes  
14.06 A Taste of Honey — with Dan Vasser  
16.05 Programme for Senior Citizens  
17.12 Jewish Ideas  
17.30 Everyman's University  
18.05 Afternoon Classics  
18.47 Bible Readings  
19.05 Lesson in Hebrew  
19.30 Programmes for Orit  
22.05 A Friend From the Same Planet

### Second Programme

6.13 Gymnastics  
6.30 Editorial Review  
6.53 Green Light — drivers' corner  
7.00 This Morning — news magazine  
8.05 Safe Journey  
8.05 House Call — with Rivka Michaeli  
10.10 All Shades of the Network — morning magazine  
12.05 Open Line — news and music  
13.00 Midday — news commentary, music  
14.06 A Taste of Honey — with Dan Vasser  
16.10 Safe Journey  
17.10 Economic Magazine  
17.30 Of Men and Figures  
18.05 Hebrew songs  
18.47 Bible Readings  
19.30 The Jewish World  
20.05 Folklore Magazine  
21.15 Song for the Road  
22.05 Songs and Screen  
23.05 Night Games

### Arny

6.10 Morning Sounds  
7.07 "707" — with Alex Anski  
8.05 Morning Newswire  
9.05 Right Now — with Shmuel Neuman  
11.05 Israel Summer — with El Yarnell  
12.05 Regards — to and from soldiers serving in Lebanon  
13.05 Two Hours  
15.05 What's Wrong? — with Erez Tal  
16.05 News in the Afternoon  
17.05 Evening Newswire  
18.05 IDF Magazine  
19.05 Music Today — music magazine  
20.05 Foreign Language Hit Parade  
21.05 Mabat — TV Newswire  
21.35 Songs  
22.05 Popular songs  
23.05 The Quiet War — (songs, chat)  
00.05 Clarinet and Piano/Rubin

### CINEMAS

**JERUSALEM 4, 7, 9**  
Eden Ladies Hairdresser; Edison: Remounting the Stone; Hahakra: Champions; Kinyat Indiana Jones and the Temple of Doom 4, 6.45, 9; Mitchell: Ambassador 7, 9; Oreg: Les Mouches; Oreg: The Natural 4, 6.40, 9; Oreg: Le Batant 4, 6.45, 9; Oreg: Behind the Door; Sennel: La Traviata 7, 9.15; Weyssel Ha'anan: Soldier of the Night 7, 9; Cinema One: The Man Who Fell to Earth 4.30; The Marx Bros: A Day at the Races 6.45; The Godfather: Part II 7.15; The Godfather: Part I 7.15; The Godfather: Part III 7.15; The Godfather: Part IV 7.15; The Godfather: Part V 7.15; The Godfather: Part VI 7.15; The Godfather: Part VII 7.15; The Godfather: Part VIII 7.15; The Godfather: Part IX 7.15; The Godfather: Part X 7.15; The Godfather: Part XI 7.15; The Godfather: Part XII 7.15; The Godfather: Part XIII 7.15; The Godfather: Part XIV 7.15; The Godfather: Part XV 7.15; The Godfather: Part XVI 7.15; The Godfather: Part XVII 7.15; The Godfather: Part XVIII 7.15; The Godfather: Part XIX 7.15; The Godfather: Part XX 7.15; 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## Profit-taking hits shares hard

As if on cue, a huge wave of profit-taking engulfed the share market yesterday. Despite the 60 issues that were marked "sellers only," the volume expanded significantly and reached IS1.328 billion.

Bond prices were weaker too, but falls were slight, and were accompanied by a dropping volume. The bond market seems to have gone over to "hold," pending the publication of the price index for August on Friday and/or the announcement of the new government's policies - whichever comes sooner.

The share market fell into its two distinct components yesterday, with no real connection between the two. On the one hand, there was the "arrangement" bank sector, which concentrated in its relatively few shares the great bulk of the turnover - over IS1 billion, in fact. Of this total, no less than IS400 million was traded in Leumi stock. This followed the trading halt on Monday, for the publication of the bank's half-yearly figures. These showed higher profits than any other bank, of the "arrangements" group at least, and the stock reacted accordingly.

But the massive (relative to recent standards) volume in this sector owes less to the business results of its component companies than to another, quite different factor. This is the likelihood of an imminent move against *patam* dollar-linked bank deposits, which rumour says is

### Tel Aviv Stock Exchange

By PINHAS LANDAU

high on the agenda of the incoming government.

Given this threat, large sums are being moved from *patam* accounts to the "arrangement" shares, which are, after all, dollar-linked bonds with a government guarantee. With the higher yields available on these securities, there is no fundamental reason not to prefer them over *patam* deposits, and the new fear factor is pushing money in this direction.

The remaining IS300m, or so of the turnover, back below the \$1m. level again, was all that remained for the "free" market. One reason for this low figure was that in many issues, the offers to sell were so large that the shares were quickly marked "sellers only."

The traders were looking for a sign of the market's mood from the small but influential sector of non-arrangement banks. Because this is the first sector to be traded, it has a disproportionate influence on trading throughout the market.

The indications were not long in coming. Martime Bank, after being "buyers only" for the second time on Monday, and thus able to rise by an unlimited amount yesterday, had bids for both the IS1 and IS5 shares.

### MARKET STATISTICS

#### Indices

General Share Index	357.23	-0.97%
Non-bank Index	262.54	-2.42%
Bank Index	421.54	-0.40%
Industrial	287.39	-2.58%
Bond Index	311.59	-0.24%

#### Turnovers

Shares	IS1328.4m.
Bonds	IS 825.4m.
Totals	IS2154.9m.
Advances	121
Declines	278
of which 5% +	36
"Buyers only"	102
"Sellers only"	60

#### Bond market trends

4% fully-linked:	Rises to 3%
3% fully-linked:	Stable/Falls to 3%
10% linked:	Falls to 1-3%
Double-option:	Stable/Rises to 3%
Dollar-linked:	Mixed to 3%

#### Most Active Shares

Leumi	560	IS400.0m.	+5
Discount A	1700	IS150.7m.	+260
Mizrahi	5600	IS148.3m.	n.c.
Man IS1	2000	+665	+49.8%
TGLOp.	57	+18.5	+48.1%
TGLOp.	20	-11	-35.5%
Danot IS1	425	+99	+30.4%

#### Sharpest Moves

Man IS1	2000	+665	+49.8%
TGLOp.	57	+18.5	+48.1%
TGLOp.	20	-11	-35.5%
Danot IS1	425	+99	+30.4%

The former, however, were not allowed to rise at all, with the bid quickly matched, while the latter rose by only 4 per cent on an excess demand of over 2 million shares.

North American ISS was also unchanged on excess demand, and although Danot IS1, after three successive "buyers only" days, soared by 30 per cent, the other Danot securities were "sellers only." The final touch was supplied by the First International share, which has been one of the sharp risers in the latest rally, and is without doubt a first-class company. Once an offer of 4.4 million shares had brought this issue to be marked "sellers only," it was downhill all the way.

Some shares, of course, benefited from the remaining momentum of the previous days, but overall the statistics show a clear preponderance of selling pressure. Five issues fell for every two that rode and sharp falls were almost three to one ahead of sharp rises. As for "sellers only" versus "buyers only," the ratio of 15:1 speaks for itself.

The intensity of the selling certainly took the market by surprise, and it is more than likely that today will be another negative day for shares. The more important question hanging over the market remains, however. When will the new government reveal its plans, and what will the reaction be to them?

Scandia Holdings, which went public in May 1983, lost an adjusted IS23.6m. in 1983/84, after recording a profit of IS7.6m. in 1982/83.

Gali Advanced Technologies lost IS291.5m. in the first half of 1984, against a loss of only IS25.2m. last year.

It should be noted that March 1984 shekels are on the basis of about 150 to the dollar, while June 1984 results should be worked out on the ratio of \$1=236 shekels.

The Stock Exchange suspended trading in Gali Zohar and Tadir Cement for the whole of this week. In order to investigate whether there is a sufficient spread of shares among the public to allow orderly trading to continue. Recently, both of these companies' securities have been marked "buyers only" more often than not, and trading has been very spotty, where it has taken place at all.

### Bank of Israel exchange rates

September 11, 1984		IS
U.S. dollar	353.79	
British sterling	451.14	
German mark	117.71	
French franc	38.359	
Dutch guilder	104.38	
Swiss franc	141.79	
Swedish krona	41.481	
Norwegian krone	41.544	
Danish krone	32.468	
Finnish mark	56.743	
Canadian dollar	268.68	
Australian dollar	294.00	
South African rand	211.94	
Belgian franc (100)	58.509	
Austrian schilling (10)	167.57	
Italian lire (1000)	191.41	
Japanese yen (100)	144.27	
Irish pound	364.58	
Spanish peseta (100)	209.60	
Jordanian dinar	895.09	
Lebanese lira	50.91	
Egyptian pound	295.41	

U.S. CASH DOLLARS paid to exporters and contact people, with firm orders or letters of credit. Principals only. Tel. 02-543874

### FOREIGN CURRENCY

INTERBANK SPOT RATES:

US\$	DM	DM	DM
1.270757	3.058065	3.389095	3.490950
1.270757	3.058065	3.389095	3.490950
1.270757	3.058065	3.389095	3.490950
1.270757	3.058065	3.389095	3.490950

### GOLD/SILVER

FORWARD RATES:

1 month	3 months	6 months	12 months
1.270757	3.058065	3.389095	3.490950
1.270757	3.058065	3.389095	3.490950
1.270757	3.058065	3.389095	3.490950

Supplied by ISRAEL DISCOUNT BANK LTD.

### Commercial Banks

Share	Price	Change	%
Leumi	350	+10	+2.6
Discount	170	+5	+2.6
Mizrahi	560	+10	+1.8
Man IS1	2000	+665	+49.8
TGLOp.	57	+18.5	+48.1
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Danot IS1	425	+99	+30.4

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Man IS1	2000	+665	+49.8
TGLOp.	57	+18.5	+48.1
TGLOp.	20	-11	-35.5
Danot IS1	425	+99	+30.4

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### Textiles and Clothing

Share	Price	Change
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## Sharon throws a spanner

ARIEL SHARON has done it again. Only last Friday outgoing Prime Minister Yitzhak Shamir thought that he had made a deal with him by promising him a senior, active post in the national unity government. But last night Mr. Sharon threw nevertheless a spanner into Mr. Shamir's efforts to finalize the unity government agreement.

It was a high price to pay, for by appointing Mr. Sharon as Minister of Industry and Trade in the new government and by assuring him of membership in the inner, policy-making cabinet, Mr. Shamir actually gave him full political rehabilitation.

But, he explained to Prime Minister-designate Shimon Peres, he had no choice, since, otherwise, Mr. Sharon would stage a rebellion against Mr. Shamir and against the unity government proposals at the Herut central committee.

It was a difficult choice to accept, particularly for Mr. Peres and for the Labour Party which hold Mr. Sharon responsible for the costly Lebanon war adventure. In fact, Mr. Peres received a lot of flak from his party colleagues for having agreed to Mr. Sharon's demand, which also meant depriving the Labour Party of the second important economic portfolio.

But Mr. Peres defended the move vigorously, because he understood Mr. Shamir's predicament and accepted the fact that in a unity government, based on parity, neither of the two major parties could veto the other party's ministerial candidates.

Mr. Shamir kept his part of the deal, but one should not have been surprised that this did not prevent Mr. Sharon from staging his rebellion at yesterday's Herut central committee meeting regardless. Supported by Deputy Prime Minister David Levy, Mr. Sharon openly challenged Prime Minister Shamir's choice of ministers for the new cabinet, making a last-minute effort to assure former finance minister Yoram Aridor of a cabinet post.

The ostensible excuse used by both of them was "party democracy." They insisted on a secret ballot for the selection of the Herut Ministers in the new Cabinet, apart from Mr. Shamir. Mr. Sharon's attempt to challenge Mr. Shamir's authority was quelled by a fairly large majority of the Herut party forum, as outgoing Defence Minister Moshe Arens lined up firmly with Mr. Shamir for an open vote. But the bitter after-taste remained.

Moreover, Mr. Sharon, an experienced general, had a second line of attack prepared: a last-minute challenge of three clauses of the Labour-Likud coalition agreement. They are - conditions for future talks with Jordan; the future of some 27 settlements which the outgoing government had decided to establish; and the fate of the Religious Affairs portfolio, which Mr. Sharon had promised to the Sephardi Orthodox party, Shas.

There was no hurry to rush into presenting the national unity government today, he said at last night's Herut meeting all of a sudden. One could do it tomorrow or next week, it would not matter, Mr. Sharon held, as if there had not been long weeks of grueling coalition talks.

It was Mr. Sharon's way of stating that he is a force to be reckoned with. In any case it was not he who needed rehabilitation. In his view, it was the Labour Party which was being rehabilitated by the Likud through the forming of a national unity government.

That challenge, by Mr. Sharon, ostensibly on matters of principle worked. At the final session last night between Mr. Shamir and Mr. Peres at which the national unity coalition agreement was to be signed and sealed, Mr. Shamir was compelled to present Mr. Sharon's demands as those of his party. It was as if the three clauses Mr. Sharon had raised last night had not been discussed at length before and in fact agreed upon.

The main sticking point apparently was the fate of the Religious Affairs portfolio which is also coveted by the National Religious Party and which Premier-designate Peres was to hold in trust until a solution is found. At the time of this writing it was not known whether Mr. Sharon's threats had succeeded in holding up the presentation of the national unity government today. His power bid has made its mark, though, and should serve as an important lesson for both his colleagues and rivals in the Herut leadership.

## The bank shares collapse

ONE OF THE FIRST orders of business for Prime Minister Shimon Peres and his new unity government should be the setting up of a judicial commission of inquiry to investigate the causes of last year's collapse of the shares of the four major banks.

Attorney General Yitzhak Zamir has been urging such an inquiry for the better part of this year, but his demand has been successfully resisted both by the Treasury headed by Yigal Cohen-Orad and by the Bank of Israel and its Governor, Moshe Mandelbaum.

Now, State Comptroller Yitzhak Tunik is reportedly about ready to table his findings on the biggest debacle in Israel's economic history, a debacle which cost hundreds of thousands of Israelis - the sold citizens who followed the government's advice, and not the speculators - large chunks of their hard-earned savings.

Israeli politicians have usually got away with wriggling out of accountability for disasters, big and small. But even former prime minister Golda Meir and former defence minister Moshe Dayan eventually paid the political price for their share in the responsibility for what went wrong at the outset of the 1973 Yom Kippur War.

Nothing, however, has equalled the conspiratorial silence of the past 11 months which followed upon the collapse of the bank shares that had been manipulated by the major banks, under the aegis and at the behest of former finance minister Yoram Aridor.

It is well that news of the comptroller's findings were leaked shortly before the Herut central committee meeting in which attempts were made to appoint the same Yoram Aridor to the new unity cabinet. That, despite the fact that the new government will be faced with the urgent and superhuman task of rescuing the country's economy from the abyss to which he, more than anyone else, has brought it.

The issue is not so much one of historic or academic interest, for which the comptroller's findings could suffice. Rather, it concerns the question of public confidence in the banks and in the governmental mechanisms which are charged with supervising the banking system and which failed so signally in their duties.

Nothing short of a judicial inquiry commission, acting on the basis of the comptroller's findings, can suffice to begin to restore that public confidence. Without its restoration, it is doubtful if widespread public cooperation can be obtained for the government's efforts on the economic front in the difficult days ahead.

**KEEP ISRAEL BEAUTIFUL**

# CORRUPTING THE REVOLT

By HILLEL FRISCH

"YOU SEE that house," pointed Latif, an Arab construction worker from the Jerusalem suburb of Azariya, "that belongs to a courier for *mal a-samud* (money for the struggle) from Jordan." The house, graced by a large-scale replica of the Eiffel Tower, a local favourite, is opulent even by American standards.

Latif's tone was bitter. He did not see the need for further explanation. Just two days earlier the East Jerusalem daily, *Al-Fajr*, the unofficial mouthpiece of the right-wing PLO, had printed a short news item reporting the arrest of former Jordanian prime minister Mudar Badran and former minister for the occupied territories, Hassan Ibrahim, a West Banker, for embezzling over \$500,000 from the Joint PLO-Jordanian Committee. The function of that body has been to disburse \$150 million in the territories annually.

King Hussein, the report added, was personally heading the investigation. Thirty of the 40 members of the Joint Committee had been asked to resign. No reason was given. Neither Latif's sentiments nor the report made headline news. To most inhabitants of the territories who have anything to do with the flow of monies across the bridges for the purpose of bolstering "steadfastness" against perceived Israeli designs at Judaizing the area and driving out the inhabitants, revelations of corruption and favouritism in dispensing the funds hardly come as a surprise.

The most strident voices against such corruption emanate from the left. A year ago, in Lebanon, corruption in the PLO was one of the main factors behind the outbreak of internecine conflict between Arafat's forces and a coalition of Fatah rebels and Syrian-backed guerrilla groups. Today, it is one of the main arguments cited by the neo-Marxist factions, backing their call for ousting Yasser Arafat from leadership of the PLO.

The ideologues in the movement were upset that wealth was corrupting revolutionary fibre. The men in the field were worried that these funds, mostly Saudi Arabian, were being channelled to the PLO right. In the West Bank and Gaza Strip the problem looms much larger. According to the leftists in the territories - those active in institutions affiliated to George Habash's Popular Front, Naji Hawatmeh's Democratic Front and the Palestinian Communist Party - the effects of wealth and the corruption it brings in its wake are undermining a political infrastructure in the territories care-

fully nurtured for over a decade.

The blame, they feel, rests squarely on the Joint Committee, where members of the PLO-Fatah mainstream sit side by side with Jordanian officials. They accuse the Joint Committee of deliberately misappropriating funds and wilfully inducing corruption in the territories. Recent findings published in Arab Jerusalem organs known for their adherence to Arafat confirm some of their suspicions.

WHAT HAPPENED? At first, PLO funds formerly channelled through the PLO were rerouted through the Joint Committee. Funds soon ceased to be earmarked by the communist-phobe Jordanians for institutions affiliated to the leftist factions in the PLO. Thus, a research institute as dynamic as the Arab Thought Forum, located in East Jerusalem, headed by a prominent Palestinian leftist, which in 1981 organized a three-day conference and later published 26 papers of academic standard on various aspects of West Bank life (no mean feat given the paucity of original research in the territories), soon came to a halt for lack of funds. Communist- and leftist-dominated labour unions, the biggest and best organized in the territories, were soon starved of funds as well.

Then they were openly attacked. According to the leftists, it was a two-pronged offensive.

The attack began in the labour union movement, which since the inception of Israeli administration had been a leftist stronghold. It was a highly calculated move: during the Jordanian period, the authorities went to great lengths to oust leftists from the trade unions. As a former labour union leader in Jordanian Jerusalem, now an official in the Histadrut office in East Jerusalem, remarked, "When we met in our general meetings, 350 attended - 100 union members, 200 plain-clothes men. All 300 voted."

The Jordanians on the Joint Committee, with the tacit acquiescence of its right-wing PLO members, were determined to modify the situation. Within one year, the West Bank labour union, formerly united under one roof in the Federation of Labour Unions in the West Bank, split into two blocs. The first continued to be dominated by communist and leftist factions; the second set up by the former treasurer, established 15 rival unions, most of them breakaway organizations bearing the same name as the veteran unions. In the next three years, hardly a month passed without the announcement, usually in *Al-Fajr*, of a new right-wing PLO organization. This either sep-

ped the strength of an existing leftist-dominated union or, in the case of the creation of a new union, prevented the leftists from expanding their activities.

THE TECHNIQUES employed were simple. The Joint Committee offered 200 Jordanian dinars to anyone setting up a new union and registering it in Jordan, plus 40 dinars for each member enrolled.

The establishment of rival unions has by now become something of a ritual. It usually occurs at election times in the veteran unions. Right-wing union leaders and Jordanian plants with full pockets, simply buy members' votes or pack the union registers with members who have no occupational connection with the organization. The leftists, who usually play fair, then protest the election results or, in rarer instances, refuse to hold the elections altogether. The veteran union leaders are then faced with an ultimatum: either abide by the elections results or we break away. The Arab Palestinian movement thus gives birth to yet another organization.

Leftists are convinced that the Joint Committee supports the Islamic fundamentalist movement in the territories, even though the PLO right wing are almost as much victims of this phenomenon as leftists. For the fundamentalists, it should be noted, all nationalism is suspect. Leftists justify this accusation by pointing to the good ties between the Jordanians and the Moslem Brotherhood in the '50s.

Such accusations, though incorrect, are not entirely unfounded. The relationship, however, is neither so simple or direct. What has happened is that more and more Joint Committee money has been channelled to the Waqf administration in the territories, an appendage of the Jordanian ministry bearing the same name. Its mandate is to administer religious endowments and provide religious services for the inhabitants of the West Bank.

The Waqf, quite innocently, dispenses money to religious institutions and movements, which become natural breeding-grounds for fundamentalism. In the past decade, the Waqf has set up three Shari'a religious colleges in the West Bank, the institutions of higher learning in the West Bank whose student bodies have been consistently dominated by the Islamic bloc, which have ideological affinities to the Moslem Brotherhood.

THE USE and misuse of money is also beginning to worry the PLO right wing in the territories. As time goes by, it becomes all too clear that

## Dry Bones



money and corruption are not so much effective tools as bearers of disease which ultimately threatens the organization that wields them.

First of all, corruption further tarnishes Arafat's image. It exposes Jordanian clout and PLO weakness and gives ample ammunition to Palestinian radicals, and leftists, as well as fundamentalists.

Above all, the right wing are principally concerned that continued corruption and misappropriation of funds might stymie their own considerable institution-building efforts in the territories. In the face of a considerable decline in the political fortunes of the PLO abroad, these institution-building efforts are considered by many Palestinians to be the greatest achievement of the movement in recent years.

The PLO has made the most of the boom in secondary and post-secondary education and the tremendous expansion of institution of higher education in its wake. The right-wing Fatah student movement dominates powerful student councils in three of the six universities, all of which were set up after 1967. In two others it constitutes the largest faction. Its youth movement, set up three years ago and led by university-student activists, has developed nearly 100 branches throughout the territories.

THE REASON WHY the arrest of Badran and Ibrahim, and other PLO right-wing publications have exposed other instances of misappropriation of funds and corruption, principally in the form of building loans to Palestinians in the territories, has something to do with the fact that the right wing can no longer condone these practices. The Joint Committee is deeply in debt, four of the six

Arab states having failed in the past two years to fulfil their pledges. With the continuation of the Gulf War it is unlikely that three of the four states - Iraq, Abu Dhabi and Qatar - will behave any differently in the future. The fourth, Algeria, never made good its pledge in the first place. Joint Committee disbursements are presumably to drop by over half from the present \$150m. to a modest \$75m. It is the type of belt-tightening that can afford corruption, or even the use of funds against opponents. The money must be spent on increasing and maintaining its organizations.

There is also, in these exposures, no small measure of hostility to the Hashemites, whose role in the Committee is highly suspect to all Palestinians, regardless of the ideological line they take. The right wing, like the leftists, take a dim view of the role of the Waqf. Even the cooperation between the Jordanians and the PLO in the labour union is souring.

As long as the funds were spent and even misapplied, in connection with the rival federation set up by the PLO right, the situation was tolerable. In the past two years, however, more and more Joint Committee funds are being spent on labour unions that do not even bother to affiliate themselves with the right-wing federation. According to Israeli sources, there are over 200 such unions, with a total membership equal to the membership of the right-wing and leftist federation combined.

The right wing, however, have only themselves to blame. They should have known that money can corrupt even a revolt.

The writer is a staff researcher for the Jerusalem Centre for Public Affairs.

## READERS' LETTERS

### LADY DAVIS

To the Editor of The Jerusalem Post Sir, - It was most distressing to see the number of inaccuracies, not to speak of the negative tone, in the paragraph of your correspondent on Louis and Bernard Bloombfield in The Jerusalem Post of September 7. In simple matters of fact, it should not have been difficult to know that Louis Bloombfield died in Jerusalem and not in Montreal and that the husband of Lady Davis was Sir Mortimer and not, as your correspondent states, Morton. Furthermore, that it would have been difficult for him to be "knighted after World War II" - since he died in 1928! He was in fact knighted in 1917 (Universal Jewish Encyclopedia: S.V. Davis).

These, however, pale into insignificance when compared with the gross misstatement that the name Lady Davis "has only once been commemorated - at the Tel Aviv Amal Vocational School." I shall not list the large number of projects which bear the name Lady Davis throughout Israel. Let me restrict myself to stating that there are some 17 Amal Vocational Schools, including one in Jerusalem, which are Lady Davis Amal Schools, duly noted in plaques and publications.

In addition, I shall refer only to projects at the Hebrew University of Jerusalem. The building of the National and University Library on our Givat Ram Campus is the Lady Davis (Canada) Building. There is a chair in our Medical School, "The Lady Davis Chair of Experimental Medicine and Cancer Research." A building in the Medical School under construction is the Lady Davis Medical Research Building in which two floors are already functioning. The largest project of all bearing her name, of which it is my privilege

to be Secretary General, is the Lady Davis Fellowship Trust. This Trust, which has been in existence for over 11 years and which awards fellowships in various categories from post-graduate to professional, has already brought to Israel during that period, over 550 visiting fellows, to the Hebrew University and the Technion in Haifa. We have in our library three volumes of scientific and scholarly papers published in journals all over the world indicating that the writers were Lady Davis Fellows in Jerusalem or Haifa.

The above only represents a partial list of projects bearing Lady Davis' name in Israel. A little checking including past issues of The Jerusalem Post could have obviated a most unfair paragraph by your correspondent.

BERNARD CHERRICK  
 Vice President,  
 Hebrew University of Jerusalem

PENFRIENDS  
 CHRISTOPHER I. DIBIA (24), of 7 Rosamond Street, Suru, Lere, Lagos, Nigeria, would like to correspond with young Israelis. His hobbies are music, photography, dancing and athletics.

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### SIMONE VEIL

To the Editor of The Jerusalem Post Sir, - I refer to M. Propser's letter of September 2 in which he quotes an American magazine: "In 1940, when anti-Jewish decrees were promulgated in occupied France, Veil, instead of identifying with the persecuted... promptly sought to disassociate herself from her Jewish

origin. Seeking a teaching post, from which she was barred as a Jew, she assured the Minister of Public Education that she felt no bond with the Israelites."

Let me point out that Simone Veil, born in July 1927 was 13 in 1940. This fact negates the whole

story. Moreover she was deported to Auschwitz and Bergen-Belsen in March 1944 at the age of 16 and a half.

Surely this unfounded accusation calls for a quick correction.

LEON KLINGER  
 Herzliya Pituah.

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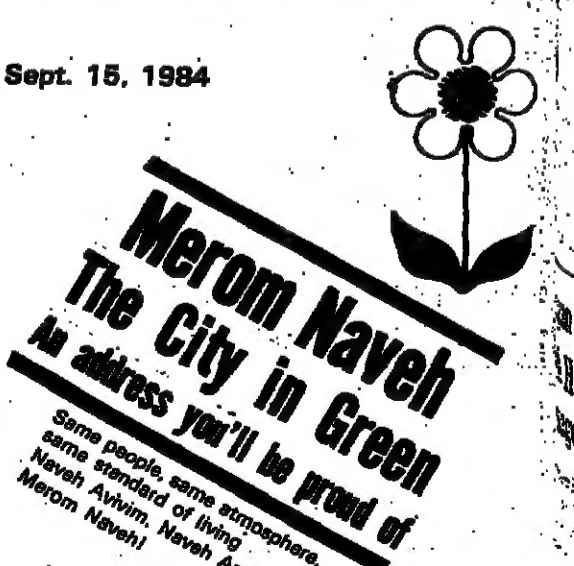
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